

# FUNDRAISING FOR SOCIAL CHANGE

## PART ONE



MH07D7178

 NATIONAL MINORITY  
AIDS COUNCIL



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## PART ONE

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*Dear Colleagues,*

As community-based organizations face a new day in the fight against HIV/AIDS, the struggle to maintain and increase funding levels continues to be a major challenge. In collaboration with Chardon Press and internationally known fundraising expert Kim Klein, the National Minority AIDS Council (NMAC) gladly provides you with Part 1 of a two part series, Fundraising for Social Change. Hot off the presses, we hope you find this manual a useful addition to your fundraising toolbox.

Targeted at nonprofits with budgets of less than \$1 million, the manual provides readers with a comprehensive overview of fundraising techniques. Written as a how-to-guide in a very clear and understandable language, it has been designed as a tool for even the busiest fundraising professional.

The chapters of this manual come from a larger version of Fundraising for Social Change. This manual is a how-to-guide written in very clear and understandable language. Most important, it provides readers with a comprehensive view of fundraising techniques, and the tools useful to nonprofits with budgets of less than \$1 million.

Section 1 reviews the basic concepts of philanthropy in the US, and how that affects nonprofits in the new millennium. As the section progresses, the author highlights principles, strategies and how your board should be involved. Section 2 discusses hiring staff versus a consultant, and the key role the executive director plays in the fundraising game.

We would like to thank Stephanie Roth, Kim Klein and all the staff of Chardon Press for helping us to bring this wealth of knowledge and information to the HIV/AIDS community. A special thanks to Carol Couch for her graphic design and creativity on this project. With special appreciation, many thanks to the Centers for Disease Control and Prevention whose funding support made this manual possible. ✓

*Yours in the struggle,*



**Paul Kawata**  
Executive Director



**Faith Hunter**  
Director of Technical Assistance

## ***About NMAC***

The National Minority AIDS Council (NMAC) was formed in 1987 to develop leadership within communities of color to address issues of HIV infection. Our members are community-based organizations that deal with AIDS on the front lines in hospitals and clinics, shelters and schools, storefronts and streets. Thousands of men and women of color rely on such organizations for outreach, care, education, housing and support services. NMAC's goal is to lend visibility, leadership, comprehensive capacity building assistance and a powerful national voice to these front line workers

## ***About the Author***

Kim Klein is internationally known as a fundraising trainer and consultant. She is the co-owner of Chardon Press, which publishes and distributes materials that help to build a stronger nonprofit sector. She is the founder and co-publisher of the bi-monthly Grassroots Fundraising Journal and the author of Fundraising for Social Change (now in its fourth edition). Her book is widely used by practitioners and students alike. It is required reading for nonprofit or public interest programs at the University of San Francisco, California State University-Chico, Harvard University, Southern Methodist University, Hunter College, University of Baltimore, Tulane University and many more. Her most recent books are Fundraising for the Long Haul, which explores the particular challenges of older grassroots organizations, and Ask and You Shall Receive: A Fundraising Training Program for Religious Organizations or Projects, a teaching manual for lay leadership to teach each others grassroots fundraising techniques. She is also a regular columnist for Shelterforce Magazine and The New England Non-Profit Quarterly.

Ms. Klein has worked in all aspects of fundraising; as staff, as a volunteer, as a board member, and as a consultant. She is best known for adapting traditional fundraising techniques—particularly major donor campaigns—to the needs of organizations with small budgets that are working for social justice. Widely in demand as a speaker, she has provided training and consultation in all 50 states and in 16 countries. The Golden Gate Chapter of the National Society of Fund Raising Executives named her Outstanding Fund Raising Executive of the Year in 1998. She graduated with honors from Beloit College, majoring in Religion and Classics, and did graduate work at the Pacific School of Religion.



# FUNDRAISING FRAMEWORK

When I hand out the agenda for a fundraising workshop, participants are often surprised to see that the section on personal solicitation is in the afternoon. Many have said, "I came to learn how to identify prospects and ask for money, not how to create a case statement or run a board of directors." Successful fundraisers know, however, that fundraising doesn't start with asking for money; it starts with understanding how philanthropy works and what an organization needs to have in place before it can begin asking for money.

This first section starts with what, for me, are the two most important facts I ever learned about fundraising: The bulk of money given away to nonprofits comes from individuals, and the majority of people who give are not rich. The corollary to these facts is this: Fundraising starts with whom you know, and you already know all the people you need to know to begin your fundraising efforts.

The section continues by describing what a group must have in place before it can begin asking anyone for money and finishes with a discussion of the group of people that are going to be most key to a successful fundraising effort — the board of directors.

A friend of mine who is now in her nineties once told me that she learned to drive in the countryside. When she drove into town for the first time, she realized she didn't know a lot of things about driving; she knew only how to start the car, stop it, and steer it in a forward direction. She did not know how to shift into reverse, how to do parallel parking, how to use a turn signal, or how to interpret the actions of other drivers. Driving on country roads and the roads that led from one field to another of her parents' farm had not required those skills.

Fundraising is a lot like this — you can know enough to get by in certain circumstances, but if you are serious about developing your skills in fundraising, you have to take time to learn a lot more or you will be limited in how far you can go. Those who want to take their organizations as far as they can go will read this section with great attention.



## *Philanthropy in America*

The word *philanthropy* comes from two Greek words meaning “love of people.” In modern times, this goodwill or humanitarianism is often expressed in donations of property, money, or volunteer time to worthy causes. Similarly, the word *charity* comes from a Latin word meaning “love” in the sense of unconditional loving-kindness, compassion, and seeking to do good. The roots of these words remind us of the fundamental reasons for the work of most nonprofit organizations.

The United States of America has the largest system of organized private philanthropy in the world. In this country, non-governmental organizations have been created — and funded through private sources — to provide services that countries with greater government commitment to social welfare provide directly and fund through taxation. If nonprofits in the United States were a single industry, they would rank as the nation’s largest industry, accounting for more than 10% of the workforce, and about 5% of the Gross Domestic Product. As of 2000, more than 1,100,000 organizations have been recognized by the Internal Revenue Service as tax-exempt. Several million more small, grassroots organizations that are doing important charitable work are not registered with the government and have no formal tax status. These groups include organizations just getting started; organizations that use very little money, such as neighborhood block clubs; organizations that come together for a one-time purpose, such as cleaning up a vacant lot or protesting something; and those that don’t wish to have a structural relationship with the state or federal government.

Because of the size and growing sophistication of the nonprofit sector, it has increasingly drawn the attention of the government, researchers, academics, and many members of the general public. Some agencies and organizations want to regulate how nonprofits function, while others believe that increased public awareness and voluntary compliance with accepted ethical standards of accounting, personnel, and fundraising practice will provide sufficient self-regulation. Nonprofit status is a public trust and tax exemption is, in effect, a public expense. Even if an organization has no formal tax status, if it seeks to raise money from the public it has the

same moral duty as registered nonprofits to operate ethically, be truthful with donors, and provide the highest quality of services to clients.

## ***The Foundation/Corporation Giving Myth***

As with many endeavors that are critically important and use the resources of millions of people, it is not surprising that a number of misconceptions have grown up about philanthropy and charities.

The most serious misconception people have is that most of nonprofit funding comes from corporations and foundations. The truth is far different: most charitable dollars come from government programs (collectively known as "the public sector"). This fact holds true despite the extensive cutbacks in government funding of nonprofits that characterized the 1980s and early 1990s. Following government dollars, more money is given to nonprofit organizations by individuals than by any other source, including corporations and foundations combined. This book focuses almost entirely on how to raise money from that enormous market of individual donors.

The American Association of Fund Raising Counsel (AAFRC) publishes a report every year called *Giving USA* that identifies economic and social trends in American philanthropy. Every year since 1935, Counsel authors have calculated just how much money was given away to nonprofits and by whom. They have identified four sources of gifts from the private (non-governmental) sector: living individuals, bequests (a cash or other donation an individual arranges to be given to a charity upon their death), foundations, and corporations. Their research shows that the proportion of giving from each of these sources remains constant, varying from year to year by only two or three percentage points, with gifts from individuals (living or deceased) exceeding the rest by nine to one.

Another research and advocacy group, The Independent Sector, also studies trends in giving and volunteering in the United States and periodically publishes their findings in a book called, oddly enough, *Giving and Volunteering in the United States*. They note that 82% of the money given away by individuals is given by people living in families with incomes of less than \$60,000. This is, of course, because families living on incomes of \$60,000 and less comprise the majority of American families. Many studies have also shown that poor and working-class people tend to give away more money as a percentage of income than upper middle-class or wealthy people, probably because the need is so much clearer to them.

In 1999, the latest year for which figures are available, giving from these sources totaled \$190.16 billion.

### **SOURCES OF CONTRIBUTIONS**

CONTRIBUTIONS FROM	AMOUNT (IN BILLIONS)	PERCENT OF TOTAL
Individuals	\$143.71	75.6%
Foundations	\$ 19.81	10.4%
Bequests	\$ 15.61	8.2%
Corporations	\$ 11.02	5.8%

Given these facts, an organization should have no trouble knowing where to go for money: individuals provide the vast bulk of support to nonprofits. Foundations and corporations, which have the false reputation of keeping charity alive, are overrated as a source of funds and the help they can provide is often misunderstood. While foundation and corporate giving will always play a vital role in the nonprofit sector, the limitations of that role must be clearly understood.

## **Foundations**

Foundations have relatively little money and that money is in very great demand. Many of the larger foundations report receiving one hundred proposals for every two they are able to fund. As more information about foundations is easily available, the demand is increasing. Guidebooks to foundations by state or by subject proliferate, as do databases to help potential grantees identify more and more sources. Many foundations now post their guidelines and annual reports on the World Wide Web. Some progressive foundations have adopted a standard grant application form, allowing grantees to submit exactly the same proposal for many different foundations. The very things that thus make foundations more accessible also make them inundated with requests.

While many nonprofits, especially new or small organizations, think foundation funding would be the answer to their money problems, in fact foundation funding is designed to be used only for short-term projects. These include the start-up of a new organization and its first few years of operation, special capital improvements, endowments (very rare), one-time projects such as conferences, or for help through a particularly rough period in the life of an organization for which it has a good excuse and a recovery plan.

If an organization has come to rely on foundation funding, decreasing reliance should be an important part of its financial planning. If an organization has never relied on foundation funding, it should plan not to, and not make the mistake common to many small organizations of seeking more foundation funding as the years pass rather than less.

## **Corporations**

Corporations are different from foundations in a key way: unlike foundations, whose job is to give money away, corporations exist to make money. Giving money away is primarily an activity that a corporation hopes will directly or indirectly help it to make more money. In fact, only 11% of corporations give away any money at all, and the average amount these companies give away is 2% of their pre-tax profits, although they are allowed to give up to 10% of those profits. Corporations generally give money to the following types of organizations or activities:

- Organizations that improve the life of the community where their employees live (symphonies, parks, museums, libraries)
- Groups that help their employees be more productive by addressing common employee problems (alcohol and drug rehabilitation, domestic violence)
- Organizations that provide volunteer opportunities for employees, or to which employees make donations

- Research that will help the company invent products or market existing products (various departments in universities get much of their funding for such research from corporations)
- Education programs for young people to ensure an adequate workforce for the company in the future (literacy programs, innovative schools, scholarships)

More frequent and generous is corporate giving to match employee donations. While many corporations have had matching programs for some time, the scale of today's matching programs has come to be called "employee-driven philanthropy."

Corporations also make valuable donations besides money, such as expertise (loaning a worker to help a nonprofit with accounting, marketing, personnel), space (free use of conference or meeting rooms), printing, furniture, office equipment (computers, fax machines, copy machines), building materials, and so on.

The past couple of decades have seen many corporations joining with charities in "cause-related marketing" efforts, in which a corporation donates a certain percentage of its profits or a certain amount of each sale to its partner charity. The nonprofit group and the corporation advertise the arrangement and encourage people in choosing among similar products to choose the one that also benefits the charity. Variations on this theme include corporations that offer to give a percentage of profits to a certain kind of organization (environmental, progressive, feminist) or who allow customers to nominate groups that should receive corporate funding. Cause-related marketing has benefited many organizations by allowing shoppers to feel that their shopping can also serve a charitable purpose, but it does not serve to build a donor base because the loyalty of the donor is not primarily to the organization and the motive of the donor is not solely to give to the organization, but also to buy this product.

Many organizations using this book will not be able to get corporate funding because their work is too controversial; and many others will not seek corporate funding because they wish to avoid appearing to endorse a corporate product or a particular corporation's way of doing business.

### ***The Power of Individual Giving***

A broad base of individual donors provides the only reliable source of funding for a nonprofit year in and year out, and the growth of individual donations to an organization is critical to its growth and self-sufficiency. Furthermore, relying on a broad base of individuals for support increases an organization's ability to be self-determining: it does not need to determine program priorities based on what foundations, corporations, or government agencies will fund.

### **Recipients of Charitable Giving**

To really understand private-sector giving, we must look at not only who gives this money, but also who receives it. Again, with only a few percentage points of variation from year to year, AAFRC's recordkeeping has demonstrated a consistent pattern of giving. Nearly half of all the money given away in America goes to religious organizations, with education a distant second, followed by health, human services, the arts, and four other categories that receive small percentages of giving.

## 1999 USES OF CONTRIBUTIONS

CONTRIBUTIONS TO	AMOUNT (IN BILLIONS)	PERCENT OF TOTAL
Religion	\$81.73	43.0%
Education	\$27.46	14.4%
Health	\$17.95	9.4%
Human Services	\$17.36	9.1%
Gifts to Foundations	\$15.11	7.9%
Arts, Culture	\$11.07	5.8%
Public/Society Benefit	\$10.94	5.8%
Environment	\$ 5.83	3.1%
International Affairs	\$ 2.65	1.4%

(Source: *Giving USA, 2000*)

N	M
A	C

### **Giving to Religion**

Religion as a category receives almost half of every charitable dollar, yet only a small percentage of giving to religion is from foundations and virtually none of it is from corporations. Because of the constitutional separation of church and state, religious activity receives no government funding either, although with religious organizations filling in many of the social services previously provided by government agencies, religious groups do sometimes receive government contracts for specific work. The vast majority of funding that religious organizations receive is from their own members. We can learn a lot by examining what makes fundraising for religious institutions so successful.

At first glance, many people think that religious institutions receive so much money because of their theology: the reward of heaven, the blessing of giving, the threat of eternal damnation. While these may play a role in some people's giving, it is clear that in the wide variety of religious expression, these motives are not enough. Many religious traditions do not believe in any form of eternal life; some don't follow any given deity. Even in traditions that have some of these beliefs, it is trivializing of mature adults to think that their behavior is based simply on a desire for rewards or a fear of punishment.

So, why do religious organizations receive almost half of private-sector dollars? While religious institutions offer ideas and commitments that are of great value, there are two reasons they get money: they make up half of all nonprofits and — and this is key to understanding successful fundraising — they ask for it.

Let's take as an example a Protestant or Catholic church. (If you come out of a different religious tradition, compare your own tradition to what follows.) Here is how they raise money:

- They ask every time worshippers are assembled, which is at least once a week.
- They make it easy to give: a basket is passed to each person in the service and all gifts are acceptable, from loose change to large checks. Everyone, whether out-of-town visitor, occasional churchgoer, or loyal and generous congregant, is given the same opportunity to give. The ushers are not concerned about offending someone by asking. They would never say, "Don't pass the basket

to Phyllis Frontpew — she just bought the new carpet,” or “Skip over Joe — he just lost his job.”

- They make giving easy even if you are not a regular congregant. Once a year, they will have some kind of stewardship drive or all-member canvass and someone will come to your house and ask you how much you will be pledging this year. You can pay your pledge by the week, month, or quarter or give a one-time gift. The option of pledging and paying over time allows people to give a great deal more over the course of a year than most could in a single lump sum.
- They provide a variety of programs to which you can give as you desire. If you are particularly interested in the youth program you can give to that; you can buy flowers for the altar, support the music program, or help fund overseas missions. Many churches have scholarships, homeless shelters, food banks, or other social programs. And of course, if you are a “bricks and mortar” person, you can contribute to any number of capital improvements — new hymnals, a new window, a better organ, or a whole new sanctuary.

Finally, religious institutions approach fundraising with the attitude that they are doing you as much of a favor to ask as you will be doing them to give; in other words, they recognize that fundraising allows an exchange to happen between a person who wants to see a certain kind of work get done and an institution that can do that work. If one of your values and beliefs is that a house of worship is important, then in order for that institution to exist, you will need to help pay for it. Giving money allows you to express your desire and commitment to be part of a faith community and allows your commitment to be realized.

All organizations should institute the diversity of fundraising that characterizes most religious institutions.

## *Principles of Fundraising*

If one were to ask, "What is the purpose of fundraising?" many people would think, "What a stupid question," and would answer, "To raise money." But, in fact, the only way you can raise money year after year is by developing a broad base of individual donors who feel very loyal to your organization. The purpose of fundraising, then, is to build relationships — or more simply put, instead of raising money, the purpose of fundraising is to raise donors.

Focusing on building a donor base rather than on simply raising money means that sometimes you will undertake a fundraising strategy that does not raise money in the first year, such as direct mail, or for several years, such as planned giving. It means that you will relate to your donors as individual human beings rather than as ATM machines that you engage when you want money but ignore otherwise. It means you will plan for both the short term and the long term and look at the results of any fundraising strategy for both the next month and the next few years.

### *Diversifying Sources*

Focusing on raising donors means that an organization systematically diversifies its sources of funding, builds the number of people helping raise money, and diversifies their skills. The need for diversity is not a new lesson. People with only one skill have a more difficult time finding employment than those with a variety of skills. Investors put their money in a variety of financial instruments rather than in just one kind of stock. In the 1980s and early 1990s, thousands of nonprofits were forced to severely curtail their services or close their doors because the government funding they were so heavily reliant on ceased to be available.

Yet many organizations continue to look for the ideal special event that will fund their entire budget, or they search for one person, foundation, or corporation to give most of the money they need, or they try to hire the perfect fundraiser who will bring in all their income without anyone's help. These groups reason that if they could use one fundraising strategy that was absolutely certain and tried-and-true,

their money worries would be over. Unfortunately, no fundraising strategy or person fits that description. In fact, only if it maintains a diversity of sources will an organization survive for the long term.

An organization could lose 30% of its funding and probably survive, though it would be difficult, but the loss of more than 30% of funding would be catastrophic for all but the biggest organizations. That's why organizations should not receive more than 30% of their funding from any one source for more than one or two years. This guideline means that while you could have more than 30% of income coming from membership (and many groups do), you cannot have one member providing 30% of this money. (The IRS recognizes this principle with its "one-third rule," which states that an organization with one-third or more of its total income from one person, foundation, or corporation for more than three years does not meet the test of a public charity and risks losing its 501(c)(3) status. This rule underscores that public charities are to be supported by a broad spectrum of the public and that tax exemption is not appropriate for hobbies or forums for any one person or corporate entity.)

There is no set number of sources that constitutes healthy diversity. Much will depend on the size of your budget, your location, and your work. However, the more people who give you money, and the more ways you have of raising money, the better.

## ***Why People Give***

Approximately seven out of ten adults regularly make donations to nonprofits. Of those, most support between five and eleven organizations, giving away a little more than 2% of their personal income. All fundraising efforts should go toward trying to become one of the groups that these givers give to, rather than trying to become the recipient of the first charitable donation of a previous non-giver. People who give money are not denying themselves food or shoes for their children; these people are dedicated givers, and your group's job is to become one of those they give to. To do that you must carefully examine what makes a person a giver.

## **Appealing to Self-Interest**

There are many reasons that people give to nonprofit organizations. The most common reasons vary from consumerism to tradition to deeply held beliefs. Some people give because they like the newsletter or because they receive a free tote bag, bumper sticker, or some other tangible item. Some give to a certain group because everyone in their social circle gives to that group or because it is a family tradition. Some give because it is the only way to get something the organization offers (classes, theater seats, access to a swimming pool).

At a more altruistic level, there are more reasons for giving. People give because they care about the issue, they believe in the group, and they think the group's analysis of a problem and vision of a solution are correct. Often people give because they or someone they know was once in the position of the people the group serves (alcoholics, abused women or children, unemployed, homeless) or because they are thankful that neither they nor anyone they know is in that position.

Sometimes people give because they feel guilty about how much they have or what they have done in their own life, or to feel more assured of salvation and eternal life.

People give because the group expresses their own ideals and enables them to reinforce their image of themselves as a principled person — for example, feminist, environmentalist, pacifist, equal rights advocate, good parents, concerned citizen, or whatever image is important to them. Through their giving, they can say in truth, “I am a caring person,” “I want to make a difference,” “I am helping others.”

Most often people give because they are asked, and being asked reminds them what they care about. When they are asked personally by a friend or someone they admire, in addition to feeling good about giving to the organization, they get to show themselves as principled and generous people to someone whose opinion they value.

Although these motivations for giving are what impel most people to give, most nonprofit organizations appeal to two other motives that are not very persuasive. These are “We need the money” and “Your gift is tax deductible.” Neither of these reasons distinguishes your organization from all the others. All nonprofit organizations claim to need money, and most of them do. The fact that the gift is tax deductible is a nice touch, but gifts to several hundred thousand other nonprofits are tax deductible too. Neither need nor tax advantage makes your organization special.

The 70% of Americans who give away money pay nonprofits to do work that can only be accomplished by group effort. There is very little one person can do about racism or gay bashing or sexual assault. Only as part of an organization can an individual make a difference in these or any other pressing social problems. Certainly one person cannot be a theater or a museum or an alternative school. Donors need the organization as much as the organization needs them, and the money is given in exchange for work performed. In a very important way, donations are really fees for service.

## ***Anyone Can Do It***

Finally, and most important for small organizations, it is critical to understand that fundraising is easy to learn. In the past 20 years, there has been an increasing emphasis on fundraising as a “discipline.” Colleges and universities now offer courses on various aspects of fundraising, sometimes as part of degree programs in nonprofit management, and professional organizations offer certification programs in fundraising. There are more and more people who are professional fundraisers. All of these things are important and contribute to the health and well-being of the nonprofit sector. But a course, a degree, or certification is not required for a person to be good at fundraising and they will never take the place of the only three things you really need to be a fundraiser: simple common sense, a commitment to a cause, and a basic affection for people.

No one says at the age of 12, “When I grow up, I want to be in fundraising.” Instead, a person is drawn to an idea or cause and an organization working on that issue. The organization needs money in order to pursue the cause, so they decide to help with fundraising even though it is not their first choice of how to be involved

and even though they have at first found the idea slightly distasteful or a little frightening. With time and experience, many people find that fundraising is not as difficult as they had imagined and they may even begin to like it. They realize that people feel good about themselves when they give money to a cause they believe in, and that to ask someone for money actually means to give that person an opportunity to express traditions or beliefs that are important to them.

People asked to raise money often confuse the process of giving money and the process of asking for it. In fact, there is a significant difference between the two. People feel good about giving money, but rarely do people feel good when they ask for money until they get used to it. People asking for money for their cause tend to project their own feelings of discomfort in asking onto the potential donor, and then describe the donor in words such as these: "I really embarrassed that person when I asked him," or, "I could tell she wanted to leave the room when I asked her," or, "They were so upset that they just looked at each other and finally said yes, but I know they wanted to say no." These descriptions of what supposedly happened to the donor (embarrassed, humiliated, upset) are more likely to be descriptions of what was happening to the asker. The potential donor was more than likely flattered, pleased to be included, thinking about what amount he or she could give, or wondering if the asker was feeling all right.

The feelings of discomfort in asking for money are normal, and in Chapter 9, Personal Solicitation, we will talk about them and how to deal with them. For now, simply be clear that asking and giving are two very different experiences, even when they happen in the same conversation. When people are recruited to ask for money, they must reflect on what they like about giving, not on what they hate about asking.

When an organization has a diversity of ways to raise money, it can use the talents and abilities of all the people in the group to help with fundraising. As volunteers and board members learn more about fundraising and experience success, they will be willing to learn new strategies and they will begin to like asking for money. Further, an organization that has only one or two people raising its money is not much better off than an organization that has only one or two sources of money. Many small organizations have suffered more from having too few people doing the fundraising than from having too few sources of funds. In the chapters that follow, I discuss identifying appropriate strategies and building a team of volunteer fundraisers.

## *Matching Fundraising Strategies with Financial Needs*

Organizations have three financial needs: the money they need to operate every year, called “annual needs”; the money they need to improve their building or upgrade their capacity to do their work, called “capital needs”; and a permanent income stream to ensure financial stability and assist long-term planning, the source of which is called an “endowment.”

### ***Annual Needs***

The vast majority of time in grassroots organizations is spent raising money for the program needs of the current year. This kind of fundraising is often referred to as the “annual fund” or the “annual drive” or, to cover all tracks, the “annual fund drive.” The annual fund drive uses several strategies, such as direct mail, special events, phoning, and personal visits. The purpose of the drive is to get donors to give over and over.

Because the overall purpose of fundraising is to build a base of donors who give you money every year, it is helpful to analyze how a person becomes a donor to an organization and how, ideally, that person increases in loyalty to the group and expresses that increased loyalty with a steady increase in giving.

A person goes through three phases in moving from not giving at all to a particular group to giving regularly several times a year. The first phase starts when a person hears or reads about a group that they like or believe in and decides on the spur of the moment to make a donation. That first gift is called an “impulse” gift. Even if an impulse gift is fairly large, it will not reflect what the donor could really afford, and it generally reflects little knowledge of and a shallow commitment to the organization. After the donor is thanked for that gift, he or she will be asked for another gift for a different aspect of the organization’s work. We call people who

give over and over for more than two years “habitual” donors. These people see themselves as part of the organization, even though probably not a big part. Some habitual donors have a bigger commitment to the organization than their gift reflects and have the capacity to make a bigger gift. Identifying and asking these people to increase their gift form the basis of a major donor program. Once a donor is giving a larger gift than he or she gives to most other groups, this donor is called a “thoughtful” donor. Instead of just giving what they are in the habit of giving, they must think about what they can afford and what a large gift to a group will mean for their other giving. The process of moving people from non-donor to donor, habitual donor, and thoughtful donor is the main focus in planning the annual fund. Every year, an organization has to recruit a certain number of new donors, upgrade a certain number of regular donors into major donors, and give all their donors three or four chances to give extra gifts.

A group can expect to retain about two-thirds of their individual donors every year, with the greatest proportion of their one-third loss being people who give once and not again. In planning fundraising strategies, then, you need to have a few strategies for the sole purpose of replacing lost donors. Groups that lose less than one-third of their donor base do not have enough donors. Groups that lose more are not doing enough to keep their donors, and in the case of most grassroots organizations, it usually means they are not asking donors for money often enough. You also need to have a few strategies designed to cultivate a group of habitual donors — people you can turn to every year, and sometimes several times a year, for gifts.

And, finally, you need to have some strategies to get current donors to give more money — these are called upgrading strategies. Sections Two and Three discuss a wide variety of these strategies and their uses.

## ***Capital Needs***

In addition to planning how much money your organization needs each year and what strategies will be used to raise that money, organizations occasionally need to raise extra money for capital improvements. Capital needs can range from new computers to the cost of buying and refurbishing an entire building. Most donors who give capital gifts have usually given thoughtfully to an annual fund. They know your organization, they believe in your cause, and they have the resources to help you with a special gift. These resources could be a computer they are not using, land they donate for a building, or a large gift to build the building. These gifts are given only a few times in a donor’s lifetime, and are almost always requested in person.

## ***Endowment***

An endowment is a glorified savings account in which an organization invests money, and uses the interest from that investment to augment its annual budget; the invested amount, or principal, is not spent. Endowment funds are raised in many ways, but most often through planned gifts such as bequests. A gift from a person’s estate is in some ways the most thoughtful gift of all and usually reflects a deep and abiding commitment to an organization. It also reflects the donor’s belief

that the organization will continue to exist and do important work long after the donor is dead. The idea of making an endowment gift can be introduced to donors in a variety of ways, but generally a person making such a gift has a personal relationship with the organization.

### ***Three Goals for Every Donor***

An organization has three goals for every donor. The first goal is for that person to become a thoughtful donor — to give the biggest gift he or she can afford on a yearly basis. The source for an annual gift is the donor's annual income. The second goal is for as many donors as possible to give capital or special gifts. These do not have to be connected to capital improvements, but are gifts that are unusual in some way and are only given a few times (or possibly only once) during the donor's lifetime. Capital gifts are usually given from the donor's assets such as savings, inheritance, or property. A donor cannot afford to give assets every year and so will only give these gifts for special purposes. The third goal is for every donor to remember the organization in their will or to make some kind of arrangement benefiting the organization from their estate. An estate gift is arranged during the donor's lifetime but wholly received by the organization upon the donor's death. Obviously, these gifts are made only once.

Most small organizations will do well if they can plan a broad range of strategies to acquire, maintain, and upgrade annual gifts, but over time organizations need to think about capital and endowment gifts and learn to use fundraising strategies that will encourage such gifts. Grassroots organizations do receive bequests and gifts of property, art, appreciated stock, and the like. Only by asking will you find out what your donors might be willing and able to do for your group.

### **MATCHING ORGANIZATIONAL NEEDS TO DONOR GIVING**

ORGANIZATION'S NEEDS	DONOR HELPS USING
Annual	Yearly income
Capital	Assets (savings, property, stocks)
Endowment	Estate

### ***Three Types of Strategies***

Because all strategies are directed toward building relationships with funding sources — whether these sources are individuals, as this book stresses, or foundations, corporations, or government — it is important to understand the types of strategies that create or improve relationships with donors. There are three broad categories of strategies: acquisition, retention, and upgrading. They directly relate to the cycles that donors follow: giving impulsively, giving habitually, and giving thoughtfully.

- Acquisition strategies. The main purpose of these strategies is to get people who have not given to your group before to give for the first time. Direct mail

is probably the most common acquisition strategy. Acquisition strategies seek impulse donors, and the income from them is generally used for the organization's annual fund.

- Retention strategies. These strategies seek to get donors to give a second time, a third time, and so on, until they are donors of habit. The income from retention strategies is also used for annual needs.
- Upgrading strategies. These strategies aim to get donors to give more than they have given previously — to give a bigger gift regularly, and later to give gifts of assets and a gift of their estate. Upgrading is done almost entirely through personal solicitation, although it can be augmented by mail or phone contact or through certain special events. Upgrading strategies seek to move habitual donors to being thoughtful donors. The income from thoughtful donors is used for annual, capital, and endowment needs, depending on the nature of the gift or the campaign for which the gift was sought.

As you create a fundraising plan, note beside each strategy you intend to use whether you are using it for acquiring, retaining, or upgrading donors, and make sure it is the best strategy for that purpose.

### ***You Can't Save Time***

For small organizations, the ultimate reason to be thoughtful about fundraising strategies is to work smarter, not harder. The group in the house party example raised 400% more money in their second year of house parties by spending a little more time thinking about the strategy more thoroughly. There is a Buddhist saying, "We have so little time that we must proceed very slowly." This applies to fundraising and especially to the fundraising programs of small organizations with tight budgets, which have little room for errors that result from carelessness and lack of thought.

It is clear to me from years of working with nonprofit organizations that you can never save time. You can put time in on the front end, planning, thinking things through, and doing things right, or you can "save time" on the front end, only to have to put it in later, clearing up the mess, handling disgruntled donors, and having to do more fundraising because what you have done did not raise the money you need.

# *Making a Case for Your Organization*

The previous two chapters discussed the framework for fundraising, the logic of the fundraising process, and the fact that an organization will ultimately be supported not so much by money itself, but by relationships with individuals who give money because of their increasing commitment to the group. This chapter presents the first step in successful fundraising — creating a case statement.

Before you can begin to raise money, your organization must state clearly why it exists and what it does. This is done in a written document that describes in some detail the need an organization was set up to meet, the way the organization will meet that need, and the capacity of the organization to do so. This document is called a "case statement." It is an internal document for use by staff, board, and key volunteers. Although it will be too long and cumbersome for use in approaching the general public, parts of it will be used in brochures, proposals, direct mail letters, and the like. Everyone close to the organization will agree with the information presented in the case statement and nothing that is produced by the organization will contradict it.

## *The Contents of the Case Statement*

The case statement includes the following elements:

- A statement of mission that tells the world why the group exists
- A description of goals that tells what the organization hopes to accomplish over the long term — in other words, what the organization intends to do about why it exists
- A list of specific, measurable, and time-limited objectives that tells how the goals will be met
- A summary of the organization's history that shows that the organization is competent and can accomplish its goals



- A description of the structure of the organization discussing board and staff roles and what kinds of people are involved in the group (such as clients, organizers, teachers)
- A fundraising plan
- A financial statement for the previous fiscal year and a budget for the current fiscal year.

Having this information in one document, with key people in the organization having copies, saves a great deal of time and helps guarantee that information and philosophies that are presented by board members, staff, or volunteers in their personal fundraising letters, in speeches, or in conversations with funders or donors are consistent. Further, it reminds people why they are raising money — to do the important work of the organization. A good case statement rallies people to the cause and reinvigorates staff and volunteers. Parts of the case statement, such as objectives and budgets, change every year. The entire document should be reviewed at least annually to ensure that everyone is still in agreement with its premises and that the words used still accurately describe what the organization is doing. Many organizations open their board meetings with a recitation of the mission statement and goals, a practice that they find helps keep the meeting on track and focused.

Here is an explanation of each of the components of the case statement.

### **The Mission Statement**

The statement of mission, sometimes called the "Statement of Purpose" or the "Preamble to the Principles of Unity," answers the questions, "Why does your organization exist?" or "What is your basic premise?" or "What is the one thing that unites everything you do?" People in an organization will often claim, "We know why we exist," and then describe their programs, but it may not be clear to a listener that the programs meet any particular need or that there is a problem to be solved. For example, an organization that buys run-down or abandoned apartment buildings and then fixes up and rents each unit well below market rates to elderly poor people has this mission statement: "We believe decent, affordable housing is a right and not a privilege, yet thousands of seniors have inadequate or substandard housing, and an increasing number have no homes at all. Housing for Seniors seeks to rectify this problem." At this time, their goal is to buy buildings and convert them. However, their mission statement allows them to have a wide variety of goals, such as advocating with the city to provide housing, helping seniors stay in their homes, educating the public about the housing shortage, or providing loans to seniors for housing. They intend to pursue all these goals as they grow, and they will not need to change their mission statement as the reach of their work expands.

An education organization that primarily teaches economic literacy has this lofty mission: "Authentic human freedom begins with every person living free of economic compulsion. Understanding how economic forces work and how they can be changed is fundamental to this freedom." Their goals include teaching people how unsafe workplaces, wage discrimination, toxic dumping, substandard housing, and poverty itself are not necessary for an economy to be healthy and how society could be restructured to eliminate these injustices.

A mission statement should be only one or two sentences long, and its purpose is to attract someone's attention by giving a passionate and global sense of why the organization was founded.

Keep in mind that when you talk or write to someone about your organization, they, like you, have a lot on their mind. Your group and its needs are not foremost, at least at the beginning of a conversation. Furthermore, we live in a world of constant messages — advertising, warnings, directions, prompts, signals. Study after study in publications such as American Demographics and Advertising Age show that people living in urban areas who drive to work, listen to the radio, and watch TV will be exposed to 2,000 messages in a day! Our conscious mind doesn't even take in most of these. We are constantly screening and filtering messages. Your mission statement is one of those messages. In order to be noticed, it has to be brief, compelling, and intriguing. It has to make a person with a lot on their mind stop thinking about all their other cares and focus on your group.

In fact, a good mission statement does only two things: It is a summary of the basic belief of the organization and the people in the organization, and it makes the person hearing or reading it want to ask for more information ("Well, that's very nice, but how are you going to accomplish that mission?"). This question allows the organization to describe its goals.

A hint about writing a mission statement: Missions often start with "Because" or "Whereas" or with a noun, "People," "Rights," "The future." Avoid using any infinitive verbs such as "to do," "to provide," "to help." Infinitive language is goal language.

## Goals

Goal statements tell what your organization is going to do about the problem and indicate the organization's philosophy, which may be expanded in the section on history. The goals are what really distinguish one organization from another, since organizations may have similar missions but very different agendas. For example, two organizations whose missions concern the health of children have opposite goals. Their mission statements are remarkably similar: "We believe that whatever promotes children's health and well-being is the best public policy," and "We believe the health of our children should be the highest priority."

The first mission statement belongs to a group that documents the large number of children who are not immunized, particularly poor children and children of undocumented workers. Despite the fact that immunization is free in their state, some parents are afraid to take their children for inoculations because one clinic had been raided by the INS; other parents do not understand the immunization process. This group works to have inoculations administered in schools, houses of worship, and in a mobile van that travels to migrant communities. They feel this will ensure that all children are immunized. They believed that immigration status should not be questioned in the context of immunizing children.

The other group was organized by a woman whose child was brain damaged as a result of a reaction to an immunization (this happens in about 1 out of 20,000 cases). She organized a group opposed to all immunization, saying that diseases such as diphtheria, typhoid, or polio are so rare in the United States that the risk from

immunization is higher than the risk of contracting the disease.

Two organizations with the same concern about children's health, with many goodhearted and thoughtful people working for them, and with opposite goals.

Goal statements almost always start with infinitives: to provide, to ensure, to monitor, to educate. For example, "To ensure that old-growth forests in Humboldt County are protected forever from logging," or, "To teach conflict resolution skills to all elementary school children in Logan County," or, "To find a cure for breast cancer."

## **Objectives**

Objectives are specific, measurable, verifiable, easy-to-evaluate, and time-limited statements of how the group intends to accomplish its goals. Goals last as long as they need to, but objectives last for one year at the most. Objectives are evaluated yearly or in whatever time frame is specified in the objective. For example, here is an objective from the economic literacy group: "We will teach ten weekend courses aimed at teenagers. Two courses will be in Spanish, one in Cantonese, and seven in English. Each course will have a minimum attendance of 15 and maximum of 25. A pre-test and post-test will be given to document learning and the curriculum will be modified throughout the year as needed."

## **History**

The history section summarizes when the group was formed and by whom, and relates the group's major program accomplishments, including any major program changes. In describing your accomplished objectives, you have the chance to provide further documentation of the need your group was set up to meet. The more specific your objectives are, the more dramatic your history will be.

Two examples: "In 1993, Ourtown was shocked by an outbreak of smallpox. Ten children developed the disease and three died. This is when we discovered that children can be admitted to school without proof of immunization. Since then, Children's Health First has immunized 4,000 children in and around Ourtown and provided ten in-service trainings each year for educators and parents on the importance of immunization." Or, "Homes for Seniors originally focused on providing living accommodations for homeless seniors until we discovered that hundreds of seniors live in substandard housing, often without electricity or running water. Every year since our founding in 1990, we have refurbished or upgraded 20 to 30 housing units that were already inhabited and are continually expanding our programs to upgrade substandard housing." The groups can then go on to describe their work in more detail.

There are no set rules for the length of the historical piece. Again, common sense would dictate that you strike a balance between telling the whole story and risking boredom from too many details.

## Structure

The structure shows that the way a group is organized is consistent with its overall mission. This section discusses staffing and board size, composition and governance. Some examples: "We have four staff who work collectively," or, "Our board of 11 members is entirely composed of clients and former clients so that all decisions about the organization are made by people most knowledgeable and most affected by them."

This section should be long enough to explain a complicated or non-traditional structure, but brief if the organizational structure is fairly straightforward. The way an organization is structured is a key to its accountability. For example, someone reading about an organization that claims it is committed to full participation of all members of a multi-racial community but has only white people on its board might question the organization's understanding of what community is. An organization that claims to organize in low-income communities but whose structure consists of a board of well-paid professionals, with no one from the communities the organization serves, raises questions about the organization's philosophy of power.

More and more, donors request information on structural issues to help determine if the group understands the implications of its mission and goals. This section can also include brief biographical sketches of board members, résumés of staff, and numbers of members, volunteers, and chapters, if applicable.

## Fundraising Plan

The fundraising plan shows whether the organization has a diversity of funding sources and an understanding of the fundraising process. The fundraising plan shows all the sources of income and describes in a narrative fashion how this income will be raised or how these financial goals will be reached. Like the section on structure, the fundraising plan will show whether the organization is consistent with its mission. For example, an environmental organization primarily supported by oil or timber corporations or an organization working in the poverty pockets of an inner city with only major donor fundraising strategies both raise questions about how their financing can be consistent with their mission.

## Financial Statement and Budget

A financial statement provides proof that the organization spends money wisely and monitors its spending — both in total amount by category. The financial statement consists of an annual report and an audited financial report, if available, or a balance sheet. The budget is an estimate of expenses and income for the current fiscal year and should include a description of how finances are monitored, such as "The finance committee of the board reviews financial reports monthly, and the full board reviews such reports quarterly."

## ELEMENTS OF THE CASE STATEMENT

SECTION ON	ESTABLISHES
Mission	Why the organization exists
Goals	What it will do about why it exists
Objectives	How it will accomplish the goals
History	A track record, showing which objectives have been accomplished already
Structure	Consistency of composition and governance with regard to the goals
Fundraising plan	That the organization intends to exist into the future and is planning financial statement, and managing its finances appropriately; also shows that salaries, and budget benefits, rent, and other costs are consistent with the mission

*Developing the Case Statement*

A case statement is usually developed by a small committee, but the board, staff, and key volunteers must all agree on its contents, particularly the statement of mission and the group's future plans. If the people who must carry out the plans don't like them or don't believe they are possible, they will not do good work for the group. Therefore, it is worth spending a good amount of time on developing the case statement. Hurrying a statement of mission or a set of goals through the board process to save time or get on with the job will come back to haunt you in the form of commitments not kept and half-hearted fundraising efforts.

## *The Board of Directors*

In the United States, nonprofits play a critical role. They provide almost all social services, arts and other culture, education, advocacy, religion, pro bono legal services, and free health care. In addition, nonprofits are leading the charge, and in many cases, are the only organizations working on saving the environment, ending racism, protecting civil rights and civil liberties, and promoting full acceptance and recognition of the rights of women, sexual minorities, people with disabilities, and seniors. In general, then, almost everything that is creative, humane, and promoting of justice is brought to us by a nonprofit.

The government recognizes that a nonprofit cannot exist in a for-profit, capitalist economy without a lot of help. Over the past several decades, laws have created a series of subsidies that make it possible for nonprofits to exist. As a result, nonprofits registered as 501(c)(3) organizations are exempt from many corporate taxes, can offer donors tax deductibility for their gifts, have access to foundation and corporate funding that individuals and small businesses do not, receive lower rates for sending bulk mail at the post office, and enjoy a host of other tax exemptions at both the federal and state levels. Because these tax exemptions and subsidies cost all taxpayers money, the government has also set up a way to hold nonprofits accountable for the money benefits. The group of people that is responsible to the government for the actions of the nonprofit is the board of directors.

The broad purpose of a board of directors is to run the organization effectively. To qualify for tax-exempt status, an organization must file a list of the names of people who have agreed to fulfill the legal requirements of board membership. The board members are bound to ensure that the organization:

- Operates within state and federal laws
- Earns its money honestly and spends it responsibly
- Adopts programs and procedures most conducive to carrying out its mission.

The best summary of a board member's responsibility is contained in the state of New York's Not-for-Profit Corporation Law (the language of which has since been adopted by many other states). According to this law, board members must act "in good faith and with a degree of diligence, care, and skill which ordinarily prudent people would exercise under similar circumstances and in like positions."

Board members, in effect, own the organization. They are the final policy makers and they employ the staff. They are chosen because of their commitment to the organization and long-term vision for it. As the Council of Better Business Bureaus points out, "Being part of the official governing body of a nonprofit, soliciting organization is a serious responsibility, and should never be undertaken with the thought that this is an easy way to perform a public service."

The responsibilities of board members fall into several broad categories. How any specific organization chooses to have board members carry out these responsibilities will depend on the number of board members, the number of paid staff, the sources of funding, and the history of the organization. There are few right or wrong ways to manage an organization, but there are ways that work better in some groups than in others.

With that in mind, let's look at board member responsibilities.

## *Responsibilities of the Board*

Board members are responsible for the following:

- 1. Ensuring organizational continuity.** The board develops leadership within both board and staff to maintain a mix of old and new people in both spheres.
- 2. Setting organizational policy, reviewing and evaluating organizational plans.** The board ensures that the organization's programs are always in keeping with its statement of mission, and that the statement of mission continues to reflect a true need.

**3. Doing strategic planning.** The board forms long-range plans with reference to the case statement, focusing on the following types of questions:

- Where does the organization want to be in two years, five years, ten years? How big does the organization want to become?
- If it is a local group, does it want to become regional or national?
- What are the implications of world events for the group's work, and what is its response?
- How can the group become more pro-active, rather than reactive?

These and other questions can be answered during an annual strategic planning retreat. Some organizations find it helpful to have a board-level strategic planning committee that raises and researches appropriate questions and brings recommendations to the retreat for discussion and decision-making.

**4. Maintaining fiscal accountability.** The board approves and closely monitors the organization's expenses and income. The board makes certain that all the organization's resources (including the time of volunteers and staff) are used wisely, and that the organization has enough money to operate.

**5. Personnel.** The board sets and reviews personnel policies, hires, evaluates, and, when necessary, terminates staff. For staff positions other than the executive director, these tasks are often delegated to the executive director. She or he then takes the place of the board in personnel matters. The board hires the executive director and evaluates her or his performance regularly. The board is also the final arbiter of internal staff disputes and grievances and is ultimately responsible for maintaining good staff/board relationships.

**6. Funding the organization.** The board is responsible for the continued funding and financial health of the organization. With regard to fundraising, board members have two responsibilities: give money and raise money.

## ***Board Structure and Size***

There is no evidence that any particular board structure works better than another. Each structure will have its strengths and weaknesses. The structure your organization chooses will probably stem from past history and the experience and desires of the present board members. Some groups work best with a collective structure, including open meetings, informal discussion, and decision by consensus. Other groups do better with a hierarchical structure, a parliamentarian who will help the group follow Robert's Rules of Order, and a formal method of discussion and decision making. The only rule is that everyone has to understand the structure you have. If one person thinks that she should raise her hand and wait to be called on before speaking while another person simply shouts out what he thinks, the board will have communication problems.

The size of the board also depends on the group, but there is evidence that the ideal size is between 11 and 21 members. A board of fewer than 11 members will probably have too much work, and one of more than 21 members is likely to be unwieldy, with work divided unevenly. If you already have a large board, work can be most effectively accomplished through small committees, having few full board meetings. A small board can also be divided into committees, which can be fleshed out with non-board representatives recruited to participate.

## ***Statement of Agreement***

For a board to operate successfully each member must understand and respect the organization's structure and decision-making process, as well as the mission of the organization, and must feel that she or he can participate fully in it. One technique that many groups have found helpful to achieve this understanding is to develop a statement of agreement for board members. This statement serves as a job description and clarifies board responsibilities and authority. On the next page is a generic example of such a statement.

This kind of agreement defines understandings that may never before have been articulated; it also helps channel board members' motivation to serve the organization.

Once a board has developed this type of contract, it can be read at regular intervals to remind people of their commitments. It can also be used for internal

evaluation and to recruit new board members.

Such an agreement also improves relations between board and staff. It enables staff to know the limits of board responsibilities so they will not make demands that exceed those limits. Board members know when they can say, "No, this is not my responsibility."

### **Statement of Agreement**

**As a board member of \_\_\_\_\_, I believe in the mission of the group, which is \_\_\_\_\_. I understand that my duties and responsibilities include the following:**

**1.** I am fiscally responsible, with the other board members, for this organization. It is my duty to know what our budget is and to take an active part in planning the budget and the fundraising to meet it.

**2.** I am legally responsible, with the other board members, for this organization. I am responsible to know and approve all policies and programs and to oversee their implementation.

**3.** I am morally responsible, with the other board members, for the health and well-being of this organization. As a member of the board, I have pledged myself to carry out the goals of the organization, which are as follows: (summarize goals here). I am fully committed and dedicated to the mission and goals of this group.

**4.** I will give what is for me a significant financial donation. I may give this as a one-time donation each year, or I may pledge to give a certain amount several times during the year.

**5.** I will actively engage in fundraising for this organization in whatever ways are best suited to me. These may include individual solicitation, undertaking special events, writing mail appeals, and the like. There is no set amount of money that I must raise because I am making a good faith agreement to do my best and to bring in as much money as I can.

**6.** I will attend (#) \_\_\_ of board meetings every year and be available for committee work, where appropriate, and phone consultation. I understand that commitment to this board will involve a good deal of time and will probably require a minimum of \_\_\_ hours per month.

**7.** I understand that no quotas have been set, that no rigid standards of measurement and achievement have been formed. Every board member is making a statement of faith about every other board member. We are trusting each other to carry out the above agreements to the best of our ability, each in our own way, with knowledge, approval, and support of all. I know that if I fail to act in good faith I must resign, or someone from the board may ask me to resign.

**In its turn, this organization is responsible to me in the following ways:**

**1.** The organization will send me, without request, quarterly financial reports that allow me to act in good faith and with a degree of diligence, care, and skill that ordinarily prudent people would exercise under similar circumstances and in like positions.

**2.** Paid staff will make themselves available to me to discuss programs and policies, goals, and objectives.

3. Board members and staff will respond in a straightforward and thorough fashion to any questions I have that I feel are necessary to carry out my fiscal, legal, and moral responsibilities to this organization.

N	M
A	C

## ***The Board and Fundraising***

The reluctance of board members to take responsibility for fundraising can usually be traced to two sources: 1) Board members don't understand the importance of taking a leadership role in fundraising, and 2) they are afraid of asking for money. Board members cannot give themselves wholeheartedly to the process of fundraising unless these two problems are resolved.

The reason that board members must take a leadership role in fundraising is simple: they own the organization. They are responsible for the well-being of the organization and for its successes. Furthermore, their supporters and potential supporters see board members as the people most committed and dedicated to the organization. If they, who care the most about the group, will not take a lead role in fundraising, why should anyone else? When the board does take the lead, its members and the staff can go to individuals, corporations, and foundations and say, "We have a 100% commitment from our board. All board members give money and raise money." This position strengthens their fundraising case a great deal. Both individual donors and foundations often ask organizations about the role of the board in fundraising and look more positively on groups whose board plays an active part.

Board members are often reluctant to participate in fundraising activities because they fear they will be required to ask people for money. It's true that many fundraising strategies require board members to make face-to-face solicitations. This is a skill and thus can be learned, and all board members should have the opportunity to attend a training session on asking for money.

In a diversified fundraising plan, however, some board members can participate in fundraising strategies that do not require asking for money directly. While some can solicit large gifts, others can plan special events, write mail appeals, market products for sale, write thank-you notes, stuff envelopes, enter information into a database, etc. Everyone's interests and skills can be used. Board members inexperienced in fundraising can start with easy tasks ("Sell these 20 raffle tickets") and then move on to more difficult fundraising tasks ("Ask this person for \$1,000"). Some fundraising strategies will use all the board members (selling tickets to a dance), whereas others will require the work of only one or two people (speaking to service clubs or writing mail appeals).

People often bring to their board service two myths that hamper their participation in fundraising. First, they feel that since they give time they should not be called on to give money. "Time is money," they will argue. Second, if an organization has paid development staff, board members may feel that it is the staff's job to do the fundraising. Let us quickly dispel both of these myths.

## Concerning Time and Money

While a person's time is valuable, it is a very different value than their money. Time is a non-renewable resource — when a day is gone, you cannot get it back. Money is a renewable resource. You earn it, spend it, and earn more. Moreover, you cannot go to the telephone company and ask to volunteer your time in order to pay your phone bill. You cannot pay your staff or buy your office supplies with your time. Furthermore, everyone has the same amount of time in a day, but people have vastly unequal amounts of money. Finally, people are rarely nervous to ask someone for their time, but most are very reluctant to ask someone for their money, even though for many people, time is their most precious resource. In training, I often use this example: "If a board member is assigned to call three people and tell them about a meeting on Wednesday night, he or she will do it. If two people can come to the meeting and one can't, the board member does not take this personally and feel like a failure. However, if this same board member is assigned to ask these same three people for \$100, he or she will probably need to be trained in how to ask for money before being comfortable doing that." I have conducted thousands of trainings in how to ask for money, but have never been asked to lead a training in how to ask for time. Comparing time and money is like comparing apples and asphalt. Board members must understand that contributions of time and money are very different, although equally important, parts of their role.

## The Role of Paid Staff

Paid staff have specific roles in fundraising. These are to help plan fundraising strategies, coordinate fundraising activities, keep records, take care of routine fundraising tasks such as renewal appeals, and assist board members by writing letters for them, form fundraising plans with them, accompany them to solicitation meetings, and so on. Fundraising staff provide all the backup needed for effective fundraising. It is clearly impossible, however, for one person or even several people to do all the work necessary in a diversified fundraising plan. Just as it is foolish for an organization to depend on one or two sources of funding, it is equally unwise for it to depend on one or two people to do fundraising.

The final reason for all board members to participate in fundraising is to ensure that the work is evenly shared. Fundraising is rarely anyone's favorite task, so it is important that each board member knows that the other members are doing their share. If some members do all the fundraising while others only make policy, resentments are bound to arise. The same resentments will surface if some board members give money and others don't. Those who give may feel that their donation "buys" them out of some work or that their money entitles them to more power. Those who do not give money may feel that they do all the work or that those who give money have more power. When board members know that everyone is giving their best effort to fundraising — including making their own gift — according to their abilities, the board will function more smoothly and members will be more willing to take on fundraising tasks.

## Common Board Problems and Suggested Solutions

While each board of directors will have its own problems and tensions to be resolved, many boards have a number of problems in common. They are discussed here, along with some solutions.

N	M
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### 1. Board members are overworked — too much is expected of them.

Nonprofit organizations use all of their volunteers to augment paid staff. The smaller the organization, the more responsibility volunteers will have, becoming more and more like paid staff. To a certain point this is fine. But there comes a time when board members are taking on much more work than they had agreed to. Overload can result when board members are given new work by staff, or when board work takes longer than originally planned. When board members find themselves attending three or four meetings each month and spending hours on the telephone, they begin to dread calls and meetings and to count the days until their term is up.

This dynamic can be changed or averted altogether by adhering to the following principles:

- Board members should understand that they can say no to tasks that go beyond their original commitment.
- Staff and board members should ensure that tasks given to the board have a clear beginning and end. Thus, when additional work is essential, board members should be assured that extra meetings will last no more than a month or two and that once that task is accomplished they will not be asked to do more than the minimum for a few months.
- A careful eye should be kept on what the whole board does with its time. Board members (particularly the executive or steering committee) should ask, "Are all these meetings necessary? Can one person do what two have been assigned to do or two people what four have committed to do?"
- Boards should not be asked to make decisions for which they are unqualified. Sometimes consultants need to be brought in to make recommendations, or the board needs to be trained to handle tasks related to management and fundraising.

**2. Individual board members feel overworked.** This problem can arise either because the person was given the wrong impression of the amount of work involved beyond attending regular board meetings, or because they are already overcommitted in the rest of their life. In the latter case he or she cannot fulfill the expectations of any one part of their life, and feels overworked even while not doing very much for the organization.

A clear and precise statement of agreement, as discussed earlier in this chapter, will help with this problem. The statement can be used to screen out people who are overextended and to call current board members into accountability.

**3. The board avoids making decisions.** In this instance the board constantly refers items back to committees or to staff for further discussion and research. The whole board never seems to have enough information to commit themselves to a course of action. This problem is generally the result of inadequate board leadership.

The board chair or president must set an example of decisiveness. He or she needs to point out that the board can never know all the factors surrounding a decision and yet must act despite factors changing on a daily or weekly basis.

The person facilitating a meeting should always establish time limits for each item on the agenda. This can be done at the beginning of the meeting. Close to the end of the time allotted for an item, the chair should say, "We are almost at the end of time for discussion on this item. What are the suggestions for a decision?" If the chair or facilitator of the meeting does not take this role, individual board members should take it upon themselves to call for a time limit on discussion and a deadline for a decision.

Very few decisions are irrevocable. Decisions can be modified, expanded, or scrapped altogether once they are made and put into action.

**4. The board makes decisions, notes them in the minutes, and then forgets about them.** As a result of this process the board both fails to implement their decisions and ends up discussing the same issue again in a few months or years. Further, board members feel that they are not taking themselves seriously and that their work is for nothing. Three methods can be used to avoid this problem. One method is to appoint a member to keep track of decisions and remind the board of them. The secretary of the board can serve this function, or someone designated as "historian." A second complementary method is for decisions from board meetings to be written up and kept in a notebook available at every board meeting (as distinct from meeting minutes). The notebook can be indexed so that decisions can be easily found. The chair and executive committee should stay familiar with this book. Finally, each board member should read and keep a copy of the minutes of every meeting. Then, each member can help remind the whole of decisions made.

**5. A few board members do all or most of the work.** When this happens, those who do the work resent those who are not carrying their share. Those who don't work resent those who do because they imagine them to have all the power. Inevitably, some people will work harder than others, and some will work better. Nonetheless, the board should plan for work to be evenly shared and for everyone to take an active role, assuming that all members will work equally hard and equally effectively. People rise to the standards set for them. Mediocre work should not be accepted. Above all, board members must value everyone's contribution. The person who stuffs envelopes is as valuable as the person whose friend gives \$5,000.

**6. Staff members don't really want the board to have power, or some board members don't want to share the power evenly.** Sometimes people take and keep power because they enjoy having power and building empires. More often, though, they take power because they are afraid to let go — afraid that others will not do as well as they have. This is particularly true when some board members have served for many years or when a person on staff has seen the board turn over several times. Whoever perceives that someone is hoarding power or refusing to delegate tasks (either staff or board) should address their concerns to the appropriate committee or the board chair. That person should use examples, so that people can have a clear sense of what they are doing wrong and change their

behavior accordingly. Generally, people will share power in the organization as others prove reliable.

All of the dynamics described above, as well as others including personality conflicts, deep political disagreements, or staff-board conflicts, can be serious enough to immobilize an organization. The board and staff may not be able to resolve the problem themselves. Sometimes they can't even figure out what the problem is. Board or staff members should not hesitate to seek help in that case. A consultant in organizational development or a mediator can help the group articulate and solve its problems. Although for a board to find itself in such an extreme situation is unfortunate, it is usually no one person's fault. Not to ask for help in getting out of the situation, however, constitutes a failure of board or staff members to be fully responsible.

Some conflict can be creative, and board members and staff should not shun difficult discussions or disagreements. There is built-in tension between program and finance committees, new and old board members, and staff and board personnel. As Karl Mathiassen, a veteran board member and consultant to organizations for social change, states in *Confessions of a Board Member*, "My own feeling is that if you go to a board meeting and never during that board meeting have a period during which you are yourself tense and your heart beats and you know that something is at stake — if you lack that feeling two or three meetings in a row, there is something wrong with the organization."

### ***Recruiting and Involving New Board Members***

Once an organization has a clear sense of the board's roles and responsibilities, has defined the type of structure it wants (collective, hierarchy, or other form), and has developed a statement of understanding or similar agreement, it can begin the formal process of recruiting additional board members. Two key tenets of board composition are 1) board members, while sharing a sense of commitment to the organization's mission and goals, also need to represent a diversity of opinion and skill; and 2) ideally, the combination of all the people on the board will provide all the skills required to run the organization.

To recruit board members, the current board should appoint two or three people to form a "nominating committee." (In some organizations this becomes a standing committee of the board.) This small group will assess the present board's strengths and decide what skills or qualities are needed to overcome the board's weaknesses. The following chart is an example of a way to evaluate the current board and quickly spot the gaps. Each group should fill it in with the board membership criteria it has established.

## CURRENT BOARD EVALUATION

BOARD NEEDS	NAME OF BOARD MEMBER			
	MONToya	MURPHY	HONG	BURGER
<b>Demographic:*</b>				
Women		x	x	
Men	x			x
GLBT			x	
Latino	x			
African American			x	
White	x			
Asian		x		
Other				
Budgeting			x	
Financial management				x
Personnel	x			
<b>Fundraising:</b>				
Personal asking	x	x		
Events				
Planned giving				
Marketing				
Web design				
Evaluation			x	
Public policy				
Organizing				x
Other:				

\*Many groups think through how many people from any demographic criteria they want. Of course, it is important to keep in mind that one or two people will not represent a whole constituency.

There is a common belief that a board should include "movers and shakers." Bank presidents, successful business people, politicians, corporate executives, and the like are thought to be people with power and connections, making them ideal board members. An organization needs to define who are the "movers and shakers" for its work. Many of the people perceived to be the most powerful in a community would be terrible board members, even if they would agree to serve. There are hundreds of successful organizations whose board members are neither rich nor famous and who have no access to the traditional elite, but whose connections are exactly what the organization needs. Belief in the mission of the organization and willingness to do the work required are of far greater importance than being successful or wealthy.

First and foremost, board members and new recruits must understand, appreciate, and desire to further the goals and objectives of the organization. Enthusiasm, commitment, and a willingness to work are the primary qualifications. Everything else required of a board member can be learned, and the skills needed can be brought by a wide variety of people and taught to others on the board.

In assessing what skills and qualifications your board lacks, then, don't just go for the obvious recruits. For example, suppose that no one on your board under-

stands budgeting. An obvious solution would be to recruit an accountant, MBA, or corporate executive to meet this need. If you know someone in one of these areas who shares the commitments and ideals of your group, then certainly invite her or him to be a board member. But if you don't know anyone whose profession involves budgeting, use your imagination to see what other kind of person might have those skills. In one organization, a self-described housewife does all the budgeting and evaluation of financial reports. Her experience of managing a large family has taught her all the basics of financial management; she is completely self-taught. Anyone who has to keep within a budget may have excellent budgeting skills: ministers, directors of other nonprofit organizations, small business persons, seniors living on fixed incomes.

Another example: If the gap on your board is in getting publicity, an obvious choice would be someone who works in the media or has a job in public relations. However, as many groups know, anyone willing to tell his or her personal story of experience with a group or who is articulate about the issues can get media attention if a staff person lays the groundwork. A staff member can arrange an interview, send a press release, and put together a press packet. A volunteer can then do the follow-up required to get the media coverage.

## ***The Recruitment***

Prospective board members are found among friends and acquaintances of current board members, staff members, former board and staff members, and current donors and clients. Ideally, a prospective board member is someone who already gives time and money to the organization.

The chair of the board should send a letter to each prospective board member asking the person if he or she is interested in serving on the board and giving a few details of what that would mean. The letter should state that someone will call in a few days to make an appointment to discuss the invitation in detail. Even if the prospect is a friend of a board or staff member or a long-time volunteer, a formal invitation will convey that being on this board is an important responsibility and a serious commitment and that it is a privilege to be invited. Whoever knows the board prospect can follow up the letter by talking to the person about being on the board. If no one knows the prospect, two people from the board should meet with the person. If the prospective board member does not have time to meet and discuss the board commitment, this is a clue that he or she will not have time to serve and should be removed from the list of prospects.

Whoever meets with the prospective board member should go over the board's statement of understanding point by point. The current members should share their experiences in fulfilling their commitment and discuss what others have done to fulfill theirs. It is particularly important to discuss the amount of time board participation requires as well as the area of fundraising. Do not make the board commitment sound easier than it is. It is better for a person to join the board and discover that it is not as much work as they originally thought than to find that it is much more work and resent having had the commitment misrepresented.

The contact person should feel free to ask the prospective board member how he or she feels about the group or what experience he or she has in working with people of other classes, races, sexual orientations, and so on (depending on the composition of your board). Asking someone to be on the board is as serious as inviting someone to be a partner in a business, finding a new roommate, or interviewing staff. Do not expect people to change once they are on the board. What you see is what you get. Take it if it is good, leave it if it is not.

Tell the person why you are asking them to be on the board. Let them know that the nominating committee has given a great deal of thought to this choice. Give the person a few days to think it over. Ask them to call for more information or with further questions. Let this be an informed and considered choice. It is better for ten people to turn you down than to get ten half-hearted new board members.

### ***Orienting the New Board Member***

After a person has accepted nomination to the board and been elected, a current board member should be assigned to act as the new person's "buddy." The buddy should bring the new board member to the first meeting, meet with him or her (perhaps for lunch or dinner) once a month for the first two or three months, and be available for discussion. New board members have many questions that they are too embarrassed or shy to ask at the full board meeting. They will be incorporated into the life of the organization much faster if they can easily get the answers they need.

Before their first meeting, new board members should receive a packet of information, including a copy of the statement of agreement, the organization's bylaws, the case statement, and anything else that would be helpful to their understanding of the organization such as an organizational chart, the current annual budget, brochures and other promotional information, and the names, addresses, phone numbers, and profiles of the other board members and of staff members.

Board members work best when they feel both needed and accountable. They will be more likely to keep their commitments when they know that is expected and that others are doing so. When this tone is established at the beginning, the board will function smoothly.

### ***A Note on Advisory Boards***

In addition to a board of directors, small organizations often find it helpful to form "advisory boards" made up of people who can help with various parts of the organization's program, including fundraising. Having an advisory board can be a helpful strategy, although it involves a good deal of work and does not take the place of a board of directors.

In some ways an advisory board is an administrative fiction. Unlike a board of directors, an advisory board has no legal requirements, no length of time to exist, and no purposes that must be fulfilled. Such a board can consist of 1 person or 200.

Advisory boards are variously named depending on their functions. They may be called community boards, auxiliaries, task forces, committees, or advisory councils.

Some advisory boards meet frequently; others, never. Sometimes advisory board members serve the group by allowing the organization to use their names on the organization's letterhead. In at least one case an organization's advisory board was called together, then met for the first time and disbanded all in the same day, having accomplished what they had been asked to do.

You can form an advisory board for the sole purpose of fundraising. Since this board has no final responsibility for the overall management of the organization, its members can be recruited from anywhere. Furthermore, the advisory board can be completely homogeneous — something a group tries to avoid in its board of directors.

People like to be on advisory boards. It gives them a role in an organization without the full legal and fiscal responsibilities of a member of the board of directors.

### ***The Fundraising Advisory Board***

Organizations sometimes see an advisory board as a "quick fix" to their fundraising problems. They may reason, "Next year our group has to raise three times as much money as it did this year. Our board can't do it alone and we don't want to add new board members. So, we'll just ask ten rich people to be on a fundraising advisory board and they'll raise the extra money we need."

There are several problems here. First, finding "ten rich people" is not that simple. If it were, the group would already have a successful major gifts program. Second, a wealthy person doesn't necessarily have an easier time asking for and getting money than someone who is not wealthy. Nor will he or she necessarily be more willing to give your group money than a "not rich" person.

These are the conditions under which an advisory board is a solution to a fundraising need:

**1. Although the board of directors is already doing as much fundraising as it can, it is not enough.** An advisory board works best when it is augmenting the work of an active and involved board of directors.

**2. An organization has a specific and time-limited project that needs its own additional funding.** This can be a capital campaign, an endowment project, or a time-limited program requiring extra staff and other expenses. The advisory board commits to raise a certain amount of money overall or a certain amount every year, usually for no more than three years.

**3. An organization needs help to run a small business or put on a large special event every year.** The type of advisory board that runs a small business is usually called an "auxiliary" as it does not have a time-limited function.

**4. An organization wants help in raising money from a particular part of the private sector, such as corporations, businesses, service clubs, or houses of worship.** The advisory board, composed of representatives from these particular sectors, plans the campaign and the members solicit their own colleagues.

### ***Forming the Advisory Board***

If you decide that an advisory board is a good tool for your group, be sure to write out clearly your expectations of this group. Use the same specificity and thoroughness here as in drawing up a statement of agreement for your board of

directors. In terms of fundraising, set an amount that you want the group to raise as a goal, the number of hours you expect them to work (per month, per event, etc.), and the number of meetings they need to attend. Also suggest ways for them to raise money. (Sometimes you won't know what to suggest, which may be why you are forming this board. In that case, be clear that there is no staff expertise to guide advisory board members.)

Be straightforward with prospects for your advisory board. Tell them your goals and choose those who can work to meet those goals.

Use the same priorities in choosing members as when forming a board of directors. Of primary importance is the members' commitment to your organization and their willingness to express that commitment by fundraising.

Once you have formed an advisory board, the staff of the organization must provide back-up as needed and guide the board as much as necessary. The chair or designated representative of the board of directors should receive reports from the advisory board and frequently call or write the advisory board's chair to express the organization's appreciation for the advisory board's work. Advisory board members should receive minutes of every meeting, be phoned frequently, and generally be treated like major donors to the organization (which they are).

Allow the advisory board to develop a direction. The first few months may be slow, but once an advisory board begins to work well and carry out its commitments, its members can raise a substantial amount of money every year.

# YOU THE FUNDRAISER

The National Society of Fund Raising Executives (NSFRE), which is the trade association for development directors and other fundraising professionals, has noted in several studies that development directors leave their jobs every 18 months. Most of these people move to other development jobs, but sadly many also leave the profession. The cost of replacing an employee and training a new employee is estimated to be at least \$5,000, so the cost to nonprofits of this kind of turnover is exorbitant.

One of the reasons for this high turnover is a lack of understanding on the parts of all parties involved as to exactly what the job of a development director is. Many grassroots groups have hired enthusiastic but inexperienced first-time development directors and neither the group nor the person has a clear idea of what the job involves. Soon, both parties are disappointed, and the employee leaves. This section reviews the job of a development director, a consultant, and the field of development as a career, as well as the two things most likely to drive someone from development — anxiety and the executive director. When everyone knows what they can expect, we will see less turnover and more successful organizations, as well as many more people making social justice fundraising their career.



## *Hiring a Development Director*

**A**s small organizations grow, they grapple with the ongoing need to raise more and more money. Inevitably, they must consider hiring someone to take charge of the fundraising function. This is a difficult decision. A group is gambling that the investment of salary — money they often barely have — is going to generate much more money than they are currently raising. The gamble will pay off if the person they hire is effective, the board already accepts its role in fundraising, and the organization has its basic infrastructure in place — that is, adequate record-keeping systems and a fundraising plan with clear goals and objectives. However, there is little margin for error. What if the person isn't skilled enough or isn't a good worker? What if everything is in place, but the fundraising program takes longer than planned to bring in the needed funds? How will the organization support itself in the meantime?

To avoid these problems, before your organization decides to hire a staff person to manage fundraising, clarify the following three issues:

**1. The role of a fundraiser or development director.** It is most important to understand that the person whose primary responsibility is overseeing fundraising does not run around bringing in money. With the input of the board or fundraising committee, the development director plans for fundraising, developing yearlong plans that spell out each strategy and set income goals. She or he maintains or supervises fundraising records and the mailing list; sends out thank-you notes; reports to foundations or large donors on specific projects; does prospect research; writes and sends mail appeals, renewals, and other fundraising letters; helps write the annual report; and goes on major donor visits as needed. She or he works closely with the board, helping them make and then fulfill their fundraising commitments. The development director may also research the grantmaking programs of foundations and corporations and write grant proposals, if that is a part of the organization's plan, and there may be other fundraising strategies that he or she must oversee or implement. The development director primarily works behind the scenes, establish-

ing a structure for effective fundraising by volunteers.

Many board members and paid staff imagine that hiring a development director will save them from further fundraising tasks. “Let’s pay someone to do this so we can do the real work” is a common and potentially fatal suggestion. First of all, fundraising is “real work” and should be integrated into the day-to-day functioning of your program and organizing work. Second, while the paid fundraising staff obviously relieves the load of other staff and may relieve the board of some tasks, everyone’s consciousness of fundraising and involvement in it must stay the same or increase for the expanded fundraising program to be successful.

**2. What you want this person to do for your organization.** Many people wonder why the task of fundraising has so many different job titles attached to it, such as “fundraiser,” “fundraising coordinator,” “development director,” or “resource developer.” In many social change organizations, the person is called the fundraising coordinator in a straightforward way. In other, usually larger organizations, this position is called the director of development. Sometimes small groups think this title is a sign of elitism or an attempt to disguise the crassness of raising money, similar to saying “your support” rather than “your money” in fundraising appeals and letters. However, there are actually important differences between fundraising and development.

Fundraising is the process of bringing in the amount of money an organization needs in order to carry out its programs from year to year. Development, in addition to raising the funds for operations, includes most of the following activities:

- Creating a strategic plan and updating it on a yearly basis (augmenting the case statement)
- Instituting a planned public relations program
- Maintaining a planned and frequently evaluated process for bringing on new board members
- Providing fundraising training for board, staff, and volunteers
- Planning and evaluating the financial needs and fundraising plans for the organization’s future
- Developing the group’s capability to conduct capital campaigns and start planned giving programs

One development director characterized the difference between fundraising and development this way: “In fundraising, you make do with what you have. You keep the organization going and out of debt. In development, you start with what you have and you help it grow.”

**3. Whether hiring a development director will actually solve the problems you have.** Analysis of your situation will show whether your problems lie in fundraising or elsewhere. To begin this analysis, answer the following questions:

- Is your board active in fundraising? Does every board member participate in fundraising in some way, whether organizing special events, getting mail appeals out, or asking for money face-to-face?
- Does it sometimes seem that the board and perhaps the staff spend more time

planning for fundraising than actually raising money?

- Do board members and other volunteers involved in fundraising seem to suffer from a lack of knowledge of what to do rather than a lack of enthusiasm?
- Is the executive director or other staff constantly pulled away from program development and organizing to do fundraising? Does she or he feel torn about setting priorities for use of their time?
- Is your budget more than \$200,000, or do you need to raise more than \$100,000 from sources other than government or foundations?

If your organization answers yes to three or more of these questions, you should seriously consider hiring a development director. This person would direct and kindle the fundraising energies of the board, plan for fundraising, train others in fundraising tasks, and enable program staff to get on with program work.

If, on the other hand, you need a better and more involved board, then you should strengthen your board and provide some motivational training for them before you hire a development director.

If what you need is help with data entry, writing the annual report, compiling financial reports, answering the phone, dealing with the mail, handling checks, sending thank-you notes, and the like, then you should consider hiring support staff, such as a secretary or office manager.

If what you want is someone to help you plan and carry out a time-limited fundraising project, such as a direct mail or major gifts campaign, consider hiring a consultant.

## *Paying the Development Director*

Imagine this scenario: An organization is debating whether to hire a development director. They have little front money, and they worry about both finding the right person and meeting a salary. As if in answer to a prayer, a handsome stranger shows up and offers to raise \$150,000 (their budget) for a 20% commission. He will only take his commission from money he raises, and if he raises nothing, he explains, they pay nothing; however, they pay him 20% of any money he raises. He says he can do it in six months, which means he will earn \$30,000.

There are several reasons that no organization should accept such a deal (whether the stranger is handsome or not). First, no one else in the organization is paid on commission. People are paid a salary in recognition that their work is part of a process; they may be very good at their job without showing a lot of immediate progress toward ending racism, stopping pollution, or whatever the group is working on.

Second, a commission tends to distort salaries. In this case, this fundraiser would be paid the equivalent of \$60,000 a year, a third again more than the director, who makes \$40,000.

Third, this person will not bring his own list of contacts. He will be working with the organization's donors. He says he has some contacts from previous jobs, but are they appropriate for your work? And do you want him taking your donor information to his next job? Further, his whole livelihood depends on donors

saying yes to his requests. Even a totally honest fundraiser working under these conditions would be tempted to distort information, seeing his rent check in the eyes of each prospect. Also, many big gifts take cultivation, which can mean several visits with a donor. This fundraiser may be willing to settle for a smaller gift in order to get it quickly rather than take the time to carry out proper cultivation.

Fourth, what will the donors think if and when they find out that 20% of their gift went to this temporary staff person? Few things make donors angrier than learning that a significant part of their gift was used for inappropriate fundraising expenses.

Fifth, as was stressed earlier, one person should not be in charge of actually raising money for an entire campaign. Suppose he is both honest and successful. When he leaves, the group is \$150,000 richer, to be sure, but no wiser in regard to fundraising.

Finally, the person coordinating the fundraising should absolutely believe in the cause and be a part of the team of people putting the campaign together.

For these reasons, paying on commission is highly frowned on in fundraising. All the trade associations for fundraisers, including the National Society of Fundraising Executives, the National Association of Hospital Developers, and the Council for the Advancement and Support of Education, have issued statements decrying the practice of commission-based fundraising.

The development director's salary should be based on other staff salaries. If you have a collective salary structure, then it is the same as everyone else's. If there are pay differentials, then the development director's salary is less than the executive director's, but more than the office manager's. In a hierarchical structure, the development director is a management staff person, usually reporting directly to the executive director.

Many times you hear that you have to pay "a lot" to get a capable development person. This is not true. A good person for your group is someone who, first and foremost, believes in your group and wants to be part of it. This person will express his or her belief through fundraising, just as someone else is expressing their belief by doing direct service, organizing, or policy development. If someone who meets the criteria of believing strongly in your work has fundraising skills but can't afford to work at the salary you are offering, you may need to reevaluate everyone's salary. Chances are you are losing out on good staff people for other positions as well.

## ***How to Find a Capable Development Director***

Once you have decided that you need a development director, you need to create a fair and accurate job description and begin the hiring process. Many job descriptions fail to attract candidates because the job has been structured to encompass too many responsibilities. Avoid the temptation to add components to the job that are not related to fundraising or public relations. It is fair to ask the development director to edit and oversee the publication of the newsletter; it is unwise to ask that person to also be the accountant.

You should be able to describe the job in one page (see the example on page 48). Think about what skills are essential as opposed to those that are desirable but

not imperative. Ask applicants to send a writing sample, since writing will be a large part of almost any fundraiser's job.

Advertise in publications geared to nonprofits. Unless you are in a small town, avoid advertising in the newspaper — you will receive a lot of resumes from unqualified people. Post your job description at the Foundation Center Collection nearest to you and in places where social change activists hang out or shop, such as coffeehouses, independent bookstores, health food stores, progressive churches and synagogues, meditation centers, or retreats. Send the announcement to other nonprofits and call directors and development directors you know and tell them the job is available.

Don't be stuck on hiring someone with all the "right" qualifications and experience. If you find such a person, hire them immediately. But if you don't find such a person, look for other sorts of qualifications that are evidence of skills related to fundraising, such as running a small business, teaching, or managing personnel. Any job that required that a person be a self-starter and called for planning, working with diverse groups of people, and good organizational skills is a good background for fundraising.

Look closely at volunteer experience, and encourage applicants to describe their work as volunteers. Many people know more than they realize about fundraising from having volunteered. People with little or no volunteer experience are not good candidates because they will have little idea of how to work with volunteers.

In addition to broadening your criteria in hiring someone, be willing to hire a consultant for a few days to help your new staff person get a running start on their job, or send the new development director to some of the many classes and courses that are offered on fundraising. The theories and how-to's of fundraising are not particularly difficult to understand, even though they take a lot of work to implement. Getting someone who is underqualified but bright, committed, and eager to do a good job is almost as good as getting an experienced person with the same attributes.

## **POSITION AVAILABLE: DEVELOPMENT DIRECTOR**

Starting Date: June 1 — Application Deadline: April 1

Harry and Jane's House serves the homeless population of Buckminster County. Formed in 1983 after itinerant day laborers Harry and Jane Smith were found frozen to death on the steps of the Methodist Church, Harry and Jane's has sheltered 400 people every year. In addition to shelter, we provide job counseling, access to medical care, and a school program for children. The shelter's budget is \$500,000, with \$200,000 provided by city and state funding. Harry and Jane's House seeks its first development director to help ensure stable funding so we can expand the range of services we provide.

**Major Responsibilities:** The Development Director will be responsible for expanding the shelter's development program. The program currently raises income through major gifts, direct mail, special events, and foundation grants in addition to government funding. Under the supervision of the Executive Director and in partnership with the rest of the staff, the Development Director will expand the shelter's fundraising program in the following areas:

1. Seeking major gift donations in the \$250-\$10,000 range
2. Expanding the direct mail program
3. Working with a consultant to set up and maintain a Web site with a secured area for accepting donations
4. Expanding the amount of money raised through the Combined Federal Campaign
5. Expanding the board of directors' role in fundraising, particularly in soliciting new and upgraded gifts

The chosen candidate will also take primary responsibility for written materials, special events, and foundation proposals. Prospect research and identification will be a shared responsibility with the Executive Director and fundraising committee of the board.

**Qualifications:** At least two years of experience as a volunteer or paid staff, preferably in the areas of housing and homelessness; at least two years of fundraising experience, including major gift planning and solicitation; good writing and communication skills; and experience working with a board of directors.

Demonstrated ability to work well with a diverse constituency, be self-motivated, work well under pressure, and be able to handle several projects at one time. Must be computer literate and familiar with how databases work. Familiarity with Buckminster County is highly desirable.

**Salary and Benefits:** Commensurate with experience and with existing pay and benefits scales at the shelter.

**To Apply:** Please send cover letter summarizing what you would bring to this position and why you want to work for Harry and Jane's House, along with your resume, two writing samples, and three references. Women and people of color are encouraged to apply. Harry and Jane's House is proud to be an equal opportunity employer.

Send application to: Search Committee, Address

Please do not fax your application.

E-mail inquiries: [Sharon@Hjhous.org](mailto:Sharon@Hjhous.org)

## *Hiring a Consultant*

There are times in the life of almost every group when a fundraising consultant or trainer can be very helpful. These times are characterized by one or more of the following situations:

- 1. Your organization needs advice as to how to improve its overall fundraising or some particular aspect of fundraising.** You need someone with skill and knowledge who cares about the issues your organization is concerned with, but is far enough removed to be able to "see the forest."
- 2. You need help deciding on a course of action: Can you really launch a capital campaign now?** Would a monthly donor program be a good strategy to explore?
- 3. You need someone to do a time-limited piece of work: run a special event, train the board in fundraising, plan a major gifts campaign, design a Web site, write a proposal.**
- 4. You need someone to help design the fundraising staff's work plan, provide guidance, and answer questions.** Working one day a week or month, a consultant can help bring a bright, energetic, but inexperienced staff person up to speed.
- 5. You need someone to run the development function of your organization temporarily, until staff can be replaced.**

Consulting assistance is characterized by being time-limited (lasting either a few hours a week or a few days a month, or being based on a contract for a specific number of months), uninvolved in day-to-day operations, and generating advice and guidance more than actual doing any of the fundraising work.

It is partially because of the latter aspect that the concept of employing a consultant carries a negative meaning for many people. The jokes, "A consultant borrows your watch to tell you the time," or, "A consultant gives free advice for a price," are said only half in jest.

The problem is compounded by the sheer number of consultants working in

the United States. There are sleazy and unreliable consultants in the fundraising profession, but a more common problem with consultants is that many have little knowledge of their professed subject. Sometimes people ask me how they should go about becoming a consultant. When I ask what experience they have, they respond with a list of the books they have read and the trainings they have attended. They think consulting would be exciting because one travels a great deal and can charge a lot of money. They are also excited because consultants do not carry the ultimate responsibility of the fundraising success or failure of any organization.

What my inquirers fail to see, however, is that consultants carry a different level of responsibility: The advice we give must be correct. If implemented, it must work. Further, consultants must trust others to carry out plans that the consultant designed. This means the plan must be communicated very clearly and be appropriate to the level of skills and resources the people carrying it out have, or have access to.

Consultants must know what can be learned by teaching, guiding, and giving advice, and what can only be learned from experience. They must know what they can do for an organization, and what an organization can only do for itself. Here is a list of the kinds of activities fundraising consultants can and cannot do:

Consultants can:

- Train and motivate people in all aspects of fundraising
- Create fundraising plans and help implement and evaluate those plans
- Research prospective donors (individuals, corporations, foundations, religious sources), and write proposals if needed
- Set up a database for keeping track of donor information
- Conduct feasibility studies
- Conduct direct mail campaigns, including list acquisition, package design, tracking of results, and sometimes thank-you notes
- Help board members understand their responsibilities, and help organizations recruit and train good board members
- Study and recommend structural changes in an organization to improve functioning and fundraising efficiency
- Help hire fundraising staff, including writing job descriptions and advertising for and interviewing candidates
- Organize special events
- Set up any other fundraising strategy that an organization has decided to use
- Manage mailing lists and donor information. This can include sending out pledge reminders, thank-you notes, and renewal letters, but generally, this is not cost effective for small organizations.

Consultants cannot:

- Actually solicit money from individuals, unless they go as part of a team with someone from the organization
- Use their personal contacts to raise money. Consultants often know a great deal about wealthy givers in the community and, with discretion, can share

that knowledge in prospect research. However, consultants do not go from job to job with their own list of prospects.

- Actually raise money. If a consultant offers to do all your fundraising for you, run the other way. This is not an effective solution because, at best, it postpones the necessity of getting the board, staff, and volunteers involved in fundraising.
- Guarantee their work. There are no absolutes in fundraising. There is a body of fundraising knowledge, largely based on common sense, and there are many applications of this knowledge. No strategy will work every time for every group.

## ***How to Choose a Consultant***

Once you have decided that your particular situation may be helped by a consultant, what do you look for in that person?

**1. Track record.** Ask how much fundraising he or she has done, and with what success. Has the person worked with organizations similar to yours in both purpose and strategy, and in similar locales? A successful consultant for social change groups in Manhattan may be less useful for rural advocacy groups in North Dakota than someone familiar with rural fundraising. Superb consultants for large institutions may not be good with all-volunteer operations with budgets of less than \$25,000. If questions of gender, sexual orientation, race, class, or disability are very important in your organization, ask the consultant what experience they have working on these issues or with diverse groups of people.

**2. Recommendations.** If you don't know the person by reputation, ask for the last three groups she or he has worked with. Then call those groups and ask about the consultant. Was the person helpful? Did the consultant listen well and really understand the situation? Would this group hire this consultant again? You can also check references, but you may get a more candid evaluation from non-reference groups.

**3. Compatibility.** If you envision a relationship with the consultant involving more than a one- or two-day training, you may wish to meet the person. This meeting, which should take about half an hour, should be free. You get to see if you like the person and would feel good taking his or her advice. It sometimes happens that an excellent fundraising consultant is not the right person for your group because the personalities will not mesh. If the organization dislikes the consultant, both their advice and your money are wasted.

**4. Confidence.** Ask what the consultant will do for you, or what they recommend. Avoid asking for long written plans. Elaborate "work plans" or proposals are often standardized; each one is essentially the same as the next, with the name of your organization substituted for the name of the previous organization. You can ask for a resume, if you find that helpful. By the time of the first meeting, you are not looking so much for proof of fundraising knowledge as for ability to put that knowledge across. Ask yourself, "Is this person believable?" "Does she or he convey confidence, enthusiasm, and goodwill?" "Will the people who have to work with this person like him or her?"

**5. Belief.** Finally, the consultant must be able to articulate the mission of your organization and believe that your group should exist. The consultant does not have to be a donor to your group, and does not have to think that your group is the greatest idea since sliced bread, but he or she needs to care about what you stand for and want to help you out of conviction as well as needing a job. This belief is particularly important if your group is controversial or has a "troublemaker" image with those who would protect the status quo. Avoid consultants who advise you to "tone down" your message or broaden your goals "to make everyone feel included." A fundraising consultant's job is to help your group raise money — not to water down the group's message or philosophy and then help a newer, lightweight group raise money.

### *Paying Consultants*

There are no standards or guidelines for how much to pay a consultant. A high price does not necessarily mean better performance or more accountability, but a price that is too good to be true probably is. By hiring a consultant, you are investing in the present so you will have more money in the future.

Most consultants charge by the day or the hour, but some charge by the job. A person's daily rate will work out to be less per hour than their hourly rate; several days' work will average out to less per day than just a one-day job. Consultants also charge for all their expenses: hotels, meals, telephone, photocopy, and travel are the most common. You can cut some of these costs by offering to house the consultant in someone's home and providing their meals, but if you do that, make sure the consultant is comfortable and can get a good night's sleep. I have often agreed to stay with someone only to discover that I was sleeping on a fold-out couch in the living room, which would be invaded by small children wanting to watch the cartoon channel on TV beginning at 6 a.m. When you cut costs on comfort, you decrease the consultant's ability to be helpful by increasing their exhaustion.

Establish clearly just what you are paying for. For example, you pay for the consultant's time. But when does that time start? In some cases, the time starts when the consultant reaches the office of the client or the training site. Even if it takes a day to get there, they do not charge until they are there. Other consultants start charging the minute they leave their house or office. Find out if the consultant charges for phone calls, and at what rate.

If you are hiring a consultant for several days or months of work, build in evaluation points. For example, you might say, "At the end of one month, we will evaluate progress and decide whether or not to continue, or whether the plan needs to be modified." This is best for the consultant also, who may need to re-estimate the time involved, or may have run into some unforeseen obstacles. It is important to have a written statement spelling out your understanding of the consultant's role, fees, and expenses, which you both sign.

For the same reasons previously stated, Hiring a Development Director, do not pay the consultant on a contingency or commission basis.

## **Consultants Are Not Miracle Workers or Magicians**



Consultants play an increasingly important role in helping organizations increase their fundraising ability, in solving problems, and in getting board members and volunteers to understand all the ways they can help raise money and why they should be involved in fundraising. However, like the results generally reported from personal psychotherapy, it seems that one-third of the groups get better, one-third get worse, and one-third stay about the same. Consultants cannot create motivation and cannot force people to change bad habits. Timing is key: Is the group willing to change? Willing to try something new? Or is the group at the point where it wants to be willing to change, but isn't really quite ready to do that? Does the group only want to hear what it wants to hear, or is it willing to hear what the consultant has to say?

During the first meeting with your group, a good consultant should be able to help you figure out if consulting is what you need. If you do need a consultant, they can also help you determine what the best use of their time would be. But for a consultant's time to be truly useful, your organization has to be willing to hear what the consultant has to say.



## *Making Fundraising Your Career*

What would you say if you could have a career that paid you a salary from \$10,000 to \$150,000? Gave you work with fairly measurable outcomes? Where talking about your values and writing about what you believe is part of the job? Where all the people you work with agree that what you do is really important?

Sounds like a great career, doesn't it? It is: It's a career in fundraising.

I have had many goals in my life, but my new goal is to have more people make fundraising their career. I have three major reasons for wanting to expand the number of fundraisers:

1. I have too much work, much more than I can handle. In another ten or fifteen years, I want to retire knowing that there are many other people able to do the work I was doing.

2. I want fewer phone calls from headhunters, desperate executive directors, friends who sit on boards, all saying, "Do you know anyone who can take our development job? We've looked everywhere. We've extended the deadline for applications indefinitely."

3. I want to see good organizations succeed in their fundraising, and one thing many groups need in order to succeed is someone who is paid to coordinate the organization's fundraising efforts.

Of course, my goal is more specific than simply bringing new people into fundraising. What I really want is to bring a new generation into fundraising for progressive social change, which is at the lower end of the salary scale I mentioned earlier.

"But fundraising isn't a cool career," I hear you say. "Not like actually doing advocacy or service, or maybe even being a public interest attorney — being on the front lines of changing society."

A woman I once worked with recently wrote to tell me that she had left her fundraising position to take a job as an advocate in an agency serving homeless mentally ill adults. "I'm glad to have had this fundraising experience," she wrote, "but it will be good to be out on the front lines again." Her letter came on the same

day as a phone call from another colleague who said, "I just have to get back into doing the real work. I can't do this fundraising anymore."

I know that we need organizers and attorneys and social workers. But none of these positions needs to be exempt from fundraising, and someone needs to be the main person in charge of that fundraising.

Before you dismiss a fundraising career as for nerds only, consider these facts:

- Fundraising allows you — in fact, requires you — to talk to people whom you would probably never otherwise meet about what you believe in and the difference their money will make in implementing those beliefs.
- Fundraising gives you the chance to experiment with strategies. Will this letter work? Can you raise money on the Internet? Would people pay to come to this kind of event? While some strategies are formulaic — you follow a recipe and you can predict the result (comforting, but often boring) — others are a combination of good luck, timing, and creativity.

Of course, fundraising does have its drawbacks. As with any difficult job, you have to be able to handle lots of tasks at the same time. In most organizations the fundraising staff has a lot of responsibility with very little authority. People tend to blame the fundraising department for everything that goes wrong in the organization. People who have no knowledge of fundraising have unrealistic ideas of how much money can be raised in short periods of time. And worse, they tend to believe that all the organization's problems can be solved by finding previously unknown but very large foundations to get grants from, or by meeting lonely, generous, and previously unsolicited rich people.

### ***Why Fundraising Is Cool***

Now I'm going to tell you why people think fundraising isn't cool, and why they're wrong. Let's admit it, fundraisers are regarded with the same mixture of admiration, loathing, suspicion, and awe with which we in America regard money itself. And this explains some of the problems in attracting people to fundraising positions. Money is one of the great taboos of our culture. We are taught not to talk about it or ask about it, except to a very limited number of people in a very limited number of circumstances. As with the subjects of sex, death, mental illness, religion, politics, and other taboos, people say little about their experiences with money. If people are so carefully taught that it is rude to talk about money, it's certainly not going to be easy to ask for it.

Yet, as George Pillsbury points out, "Although money cannot buy social change, no significant change can happen without it." Organizations cannot do their work without money. An organization that does not have enough money to accomplish its goals winds up wasting the time of its volunteers and staff, and possibly hurting the constituency it claims to be working for.

When I decided to make fundraising my career more than 20 years ago, it was not because I liked fundraising. In fact, like most people drawn to working for social change, I had wanted to do advocacy work. But I found that the advocacy work was not going to happen unless someone brought in money, and if I wanted to do work

that was important and useful in the groups and movements that I cared about, fundraising, I learned, was one of the most useful things I could do.

I also chose fundraising because it meant that I would have to talk about money, which, in a small way, could begin to break down the taboo that surrounds it. This taboo, I believe, helps promote both racism and sexism: If you can't ask others at your workplace what they are earning, you will never know if minorities there are being paid less than whites, or women less than men. That way, management has no fear that you will seek more equitable salaries. And the taboo supports the class structure in other ways as well: If only a tiny handful of ruling-class people understand how the stock market or other forms of investing work, they will fear no threats to the economic system they control.

In fact, put more strongly, people who cannot talk about money, who will not learn to ask for it and deal with it, actually collaborate with a system that the rest of social change work seeks to dismantle. That alone makes fundraising not only a cool profession, but also a dangerous one.

Here are some other reasons fundraising is exciting, sexy, and cool.

1. Fundraising brings you face-to-face with the good, the bad, and the ugly about money. If you are serious about addressing class issues, this will be a good thing.

2. Although there are technical aspects to fundraising, it does not require years of education. In fact, the three main requirements for success in fundraising can be found in people of all educational backgrounds: common sense, a basic affection for other people, and a passionate belief in a cause.

3. At the same time, fundraising requires you to learn new things all the time, while perfecting the set of basic skills you bring.

4. Fundraising connects donors to an organization. Many donors have little relationship to the organizations they support aside from giving money. They don't have time to volunteer, or they are not part of the constituency. A fundraiser helps them continue to feel connected and useful, so that they will want to continue to give.

5. Fundraising is organizing. Good fundraisers organize teams of volunteers to help with fundraising, and they should be teaching organizers how to ask for money, too. Organizers usually ask people only for time — go to a meeting, plan a strategy, come to a demonstration. Good fundraisers teach people skills and increase their confidence that they actually can raise money. By combining fundraising and organizing, people are asked for time and money — as much of either or both as they can give. A much wider range of gifts and talents and abilities can be brought out in our constituents by adding fundraising strategies to the mix.

6. Fundraising will allow you, perhaps even force you, to confront basic issues of class in yourself, in your organization, and in the people you raise money for and from.

## ***Becoming a Fundraiser***

You can enter the field of fundraising in a variety of ways. One of the best ways to learn fundraising is to volunteer, and fundraising is one of the few jobs for which volunteer experience qualifies you. Being on the fundraising committee of a board

of directors or helping put on a special event has launched many a fundraising career. Interning at an organization is another form of volunteering that can be very instructive.

You can also learn about fundraising in college classes and courses, but they only have merit if you have a way to apply what you have learned in a real-life setting. Working in a large organization as an assistant to the development director will give you a range of experience without requiring you to take on a lot of responsibility.

If you are serious about fundraising as a career, find a mentor. Many development directors enjoy mentoring people new to the field, and they can help you find your way through the difficult times.

Don't hesitate to jump in at the deep end. Take a job that you are not totally qualified for, then read, take classes, use your mentor, and wing it. I have often encouraged organizations seeking a staff fundraiser to stop looking for the person with perfect skills who may not exist and instead to find a bright, hardworking, quick learner. Give that person a solid team of volunteers to work with and watch what happens. With enough support and a little latitude, this person is likely to be successful.

### *Join the Front Lines*

As you can see, when I say I want people to make fundraising their career, what I really mean is that I want people to say, "My role in working for social justice will be to help generate money." Fundraising cannot be separated from its context. It is a necessary and central part of developing an organization and fulfilling its mission. It is real work, and though it takes place on a slightly different set of front lines, they are front lines all the same. The more fundraising is integrated into the rest of the organization, the more successful it will be, and the more fundraisers we can hope to have in the future. The sooner that happens, the sooner I can retire.

## *Dealing with Anxiety*

During the 24 years I have been in fundraising, I have observed that the greatest factor causing people to leave fundraising, or to "burn out," is not the work itself, or even the challenge of having to ask for money. It is the constant, gnawing anxiety that the money won't come in, and the knowledge that once you have raised money for one month or one quarter you must simply turn around and begin raising it for the next period of time. There is never a rest, success is short-lived, and lack of success shows up immediately. Fundraising can also be an isolating job, with the burden of producing money too often placed on one or two people.

Many paid fundraising staff have told me that they wake up in the middle of the night worrying, that they never feel really free to take a weekend off, let alone a vacation. Fundraising staff often watch their self-esteem eaten away by the constant pressure of a job that by its nature can never be finished.

There are five ways to deal with this anxiety besides psychotherapy or quitting one's job.

**1. Recruit volunteers and delegate.** Saul Alinsky, one of the most important figures in community organizing, had an iron rule for organizing that also applies to fundraising: "Never do for someone what they can do for themselves." When you are doing something that a reasonable, intelligent person could do with minimal training, find such a person and get them involved. This will decrease your isolation and increase your productivity. Having volunteers help you will not save time, as the time you save by having them do the task is used in recruiting, training, supervising, and then thanking them, but the goal of having the work spread over a wide variety of people is accomplished, and the feeling that it is all up to you is diminished.

**2. Remember that if you do your job, the money will come in.** Of course some mail appeals will fail, some donors won't give, and some grant proposals will be turned down. But your job is to generate enough requests for money that even when only a small portion are successful you will have the money you need.

Fundraising is basically a numbers game — get the word out in as many ways and to as many people as you can. If you ask enough people for money, you will raise the money you need.

**3. If your primary responsibility is to raise money, then every day that you come to work set your priorities around that goal.** Ask yourself, "Of all the tasks that I have to do today, which one will raise the most money over the longest period of time?" Do that task first, then do the task that will raise the next most money, and so on. This will call for some judgment on your part. For example, if you have the choice of writing a grant proposal for \$10,000 or approaching a major donor for an additional gift of \$1,000, you may decide to go to the donor because she is more likely to give year after year than the foundation. Or, if you follow the advice in #1, you will try to get a board member to go to the prospective donor, freeing yourself up to write the grant proposal. Just remember that no one ever gets their whole job done. Make sure that the things you don't get done are things not related to fundraising.

In one organization, the director was the only staff person. Feeling responsible for everything, she did those things she knew how to do and that she could finish. She kept accurate and excellent books, paid bills on time, got out minutes and agendas for meetings, and wrote, edited, and produced the newsletter. The board did a lot of program work under her direction. Soon, the group had little money and was in danger of going out of business. This director quickly learned to change her priorities; now she works on fundraising at least four hours every day. If she has time, she does the books. Board meeting minutes and agendas are handled by the board secretary. At each board meeting, the director brings a fundraising to-do list for the board. While some board members object that they want to do program work and do not want to do fundraising, the director is teaching them that without money there is no program and no group. The primary responsibility of the board and staff of any organization is to keep the group going, and this usually means active, ongoing participation in fundraising.

**4. Detach from the results of your work.** A request turned down or an unsuccessful mailing does not mean that you are a failure as a person or as a fundraiser. Not being able to do everything is not a condemnation of your worth as a person. If you make a mistake, it doesn't mean you are a mistake. Ask yourself whether it will be important in ten years whether you got the newsletter out today or next week. One person can only do so much. Do what you can do in the time allotted, and let the rest go. Too often, groups have fundraising goals that no one could reach. Instead of trying to live up to impossible expectations, evaluate your goal setting.

Some people have found it helpful to form support groups with others doing similar types of work — either informal gatherings over happy hour, or more formal, structured meetings at a specific time and place. If you do use a support group, make sure it supports your work and helps with strategies. Do not use it as a gripe session to compare notes on how awful everyone's job is. That will only make you more dejected.

**5. Take care of yourself.** Don't always work overtime. Take vacations. Ask for help. Delegate tasks. The overall work of social justice is the creation of a humane and just society, where, among other things, work and leisure are balanced. If the culture of your workplace does not encourage balance, it is unlikely that your organization can have a positive role in creating social change.

Consider these words from the great religious thinker and activist, Thomas Merton:

*There is a pervasive form of contemporary violence to which the idealist fighting for peace by nonviolent methods most easily succumbs: activism and overwork. The rush and pressure of modern life are a form, perhaps the most common form, of its innate violence. To allow oneself to be carried away by a multitude of conflicting concerns, to surrender to too many projects, to want to help everyone in everything is to succumb to violence. More than that, it is cooperation in violence. The frenzy of the activist neutralizes one's work for peace. It destroys the fruitfulness of one's work, because it kills the root of inner wisdom which makes work fruitful.*



## *Working with the Executive Director*

For many people reading this book, this chapter could be called "Working with Yourself," because the title "executive director" describes you, as does the all-encompassing title of "staff." You are the only paid person. However, if your group is at the stage where it has hired a development director, it probably has other staff as well, such as organizers or other program people.

If you are the development director and you have an executive director, this chapter is for you. If you are the executive director, this chapter is for you also, to help you not make any of the mistakes described here.

When you are the development director, the executive director (ED) can be your greatest ally or your biggest challenge, but rarely anything in between. The job of the development director is an odd one in the sense that you report to and are accountable to the ED, yet your job includes organizing the ED's time efficiently with regard to fundraising — which means telling your boss what to do. To work effectively with an ED requires discussing early on in your tenure how the ED wants you to present the fundraising tasks that he or she is to carry out, and how the ED intends to be accountable to that work.

The ideal working relationship between an ED and a development director (DD) looks something like this:

At the beginning of the year, the ED and the DD create a fundraising plan. Perhaps the DD does most of the work on the plan and then brings it to the ED to discuss, but the ED is very familiar with it and believes it is the appropriate plan for the year. These two staff go over the plan in great detail with the fundraising committee of the board or with board leadership and make any necessary revisions. They present the plan to the full board and receive enthusiastic buy-in (or at least willingness to do the job). The DD feels supported by the ED in all her efforts to work with the board and with the ED. The ED sees the DD as a partner in the finan-

cial future of the organization — a junior partner to be sure, but still someone she turns to for advice and whose counsel and instincts she trusts. The DD, in turn, sees the ED as someone she learns a lot from and likes and respects a great deal. If not friends, at least these two see themselves as strong colleagues, interested in each other's opinions on a wide variety of topics related to running the organization.

Some co-workers develop this relationship naturally. They are usually people who are competent, not competitive and not controlling, more committed to the mission of the group than to their own ambition, able to delegate tasks and share information. These people are not without their struggles or disagreements, but they are able to be straightforward in conversation and listen to each other, and they are willing to take the time to work things out.

Other people are able to have this relationship if they work at it a bit. These are usually people who are competent but can be controlling, committed to the mission of the group but wanting some personal recognition, overwhelmed with work so not as able to sort out what can be delegated and what cannot, and who keep information to themselves more out of sheer inability to find the time to share it than any real intent to conceal. Again, honesty in communication will let this be a working relationship.

Unfortunately, there are way too many situations in which the relationship between the ED and DD does not work. Although some of these may be primarily the fault of the DD, the majority have their roots in the work style of the ED.

Here are the most common reasons a productive relationship between ED and DD fails to occur:

**1.** The ED is initially very good at her job, but the organization grows past her ability to run it. Rather than admit this, the ED becomes more and more controlling and may actually shrink the organization back down to a size she can manage.

**2.** The ED has been at the organization too long. She feels tired and has lost enthusiasm for the work, but stays in the job because she can't imagine what to do next. Mediocrity becomes the standard of work.

**3.** The ED is sensitive to criticism, even defensive. She creates a work environment in which only total loyalty to her is acceptable and any questioning of her decisions or directions is perceived as insubordination. Creativity is squelched.

**4.** The ED is afraid to ask for money and will not help with fundraising from individual donors. Often this fear is disguised as, "I can't deal with a bunch of little gifts. Let's just get a foundation grant."

**5.** The ED believes that the DD's job is to get the money. She wants the DD to bring in the cash, no questions asked.

**6.** The ED doesn't trust the board members or want them to have any power, so does not share decision making with them. Few boards (none that I ever met) will actively engage in fundraising if they are not involved in policy making and other board activities, so the board is of no use in fundraising.

**7.** The ED is threatened by the DD's knowledge of fundraising and feels that her own lack of knowledge will be perceived as incompetence. She constantly belittles the DD's ideas or ignores them altogether.

8. The ED has too big a job. He or she works 60 to 70 hours every week, is often at the office on weekends, rarely takes a vacation, and expects the same effort from the other employees. Such people do not realize that they simply disguise the cost of doing business and they wonder why they have high employee turnover.

There are many other variations on these themes, but these are the most common. If you are already working for someone who has some or all of the characteristics described in the above list, it is possible to make a change in the staff dynamic, but more likely you will need to find another job. To guarantee that you don't take a job where these are the dynamics, make sure that you know what you have the right to expect from an organization and an ED and what they have the right to expect from you.

### ***Being Clear about Your Job***

Your job is to coordinate the fundraising function of the organization. You are to make sure that all fundraising tasks are completed, one of which is to help the ED complete his or her tasks. You lead by pushing others into doing the work, and your job is to get as many people involved in fundraising as possible so that you can raise as much money as you need from as many sources as you can manage. Given that these are your responsibilities, the ED should expect that you and she would work closely together to create the ED's fundraising task list, and that you would have the authority to make sure she was able to move through her tasks. She, in turn, would expect you to provide any support she needed, such as materials, thank-you notes, reports, and so on.

Your job is to coordinate the fundraising efforts of the board of directors. You should have access to all board members and, most important, be actively supported by the ED in your efforts with the board. Both of you should work closely with board members, particularly on personal face-to-face solicitation.

Sometimes the ED will know a lot more about fundraising than the DD. In that case, the ED should mentor the DD. More traditionally, the DD knows more about fundraising than the ED. The ED should welcome this, recognizing that an organization hires staff partly because the ED doesn't have time to do the whole job, but also because she doesn't have every skill.

Both parties should know how the other likes to work. The DD needs to know the answer to questions such as, Are interruptions OK? How about editing each other's writing? (The ED needs to feel good about everything that comes out of the office, so she or he gets to edit a lot.) How about being nagged about getting a task done? How do each of you deal with conflict? What is the best way for you to hear criticism? And so on.

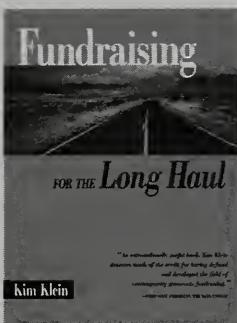
The ED is the front person for the organization. Many donors will prefer to meet with that person rather than anyone else in the organization. The DD has to appreciate that the ED balances many tasks, of which fundraising is only one — even if it is very important.

The way to have a good working relationship between the DD and ED is to be clear from the beginning what each of you thinks the ED and DD jobs are and are

not — and agree on that. Work as much as possible as partners in fundraising and see the board as an asset to be developed. Be mission-driven and know that your main loyalty has to be to the good of the organization. Know that you are not always going to see eye-to-eye and that final decisions do rest with the ED. Above all, be honest and demand honesty in return. Your relationship needs to mirror the kind of relationships we want to see in the world — respectful, caring, nurturing, genuinely interested in the other, joined in a mutual belief in something bigger than yourselves.

# Resources for Social Change

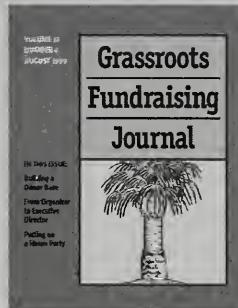
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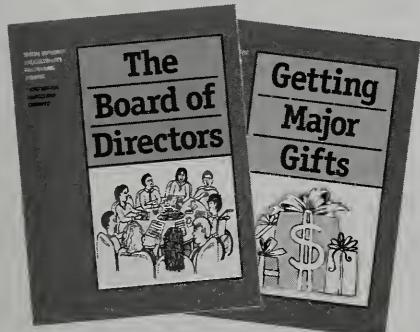
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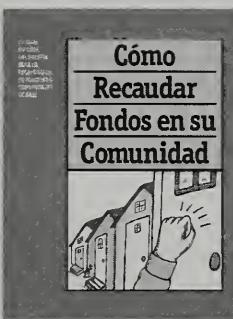
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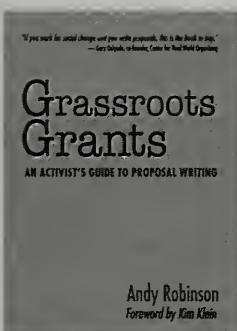
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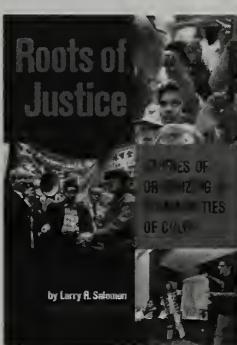
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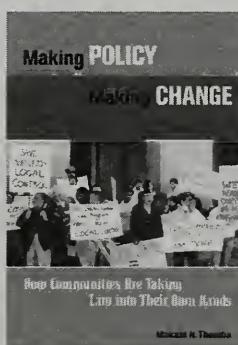
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